

103
COAST GUARD FISCAL YEAR 1995 BUDGET
REQUEST

Y 4.M 53:103-92

HEARING
BEFORE THE
SUBCOMMITTEE ON
COAST GUARD AND NAVIGATION
OF THE
COMMITTEE ON
MERCHANT MARINE AND FISHERIES
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRD CONGRESS

SECOND SESSION

ON

REVIEWING THE PROGRAMS, INITIATIVES, AND RE-
DUCTIONS REPRESENTED IN THE COAST GUARD'S
FISCAL YEAR 1995 BUDGET REQUEST

MARCH 15, 1994

Serial No. 103-92

Printed for the use of the Committee on Merchant Marine and Fisheries



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COAST GUARD FISCAL YEAR 1995 BUDGET REQUEST

TUESDAY, MARCH 15, 1994

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION,
COMMITTEE ON MERCHANT MARINE AND FISHERIES,
Washington, DC.

The subcommittee met, pursuant to call, at 2:07 p.m., at 1334 Longworth House Office Building, Hon. W.J. Tauzin (Chairman of the Subcommittee) presiding.

Present: Representatives, Tauzin, Hutto, Lancaster, Stupak, Pickett, Hochbrueckner, Taylor, Coble, Bateman, Fowler.

Staff Present: Sue Waldron, Elizabeth Megginson, Matt Szigety, Catherine Tucker, Bill Wright, Jim Adams, Joan Bondareff, Lee Crockett, Harry Burroughs, Cyndy Wilkinson, Ed Lee, Rebecca Dye, Margherita Woods.

STATEMENT OF HON. W.J. TAUZIN, A U.S. REPRESENTATIVE FROM LOUISIANA, AND CHAIRMAN, SUBCOMMITTEE ON COAST GUARD AND NAVIGATION

Mr. TAUZIN. The hearing will please come to order. Ladies and gentlemen, today we meet to receive testimony regarding the programs, initiatives, and unfortunately the reductions represented in the Coast Guard's fiscal year 1995 budget request.

First, I want to welcome my good friend, Admiral Bill Kime. It is hard to believe that almost four years now have passed since this subcommittee first greeted you as the new Commandant, and for those of us who did not know Admiral Kime then four years ago, we have come to know and respect and believe in the incredible talents and abilities of the Commandant over the last four years. And, Bill, we want to wish you a bon voyage.

We are going to have appropriate times to do that a little later on. I don't want to sing you a farewell song today but I wanted to thank you again for what I have considered four of the most cooperative years between a Federal agency and a United States congressional committee that I have ever witnessed and much of it is due to your own personal stewardship.

Those of you who may not be aware, of course, I am referring to the fact that Admiral Kime will be retiring from the Coast Guard on June 1 of this year and will be replaced by Admiral Kramek who I guess will take over the same day and assume the reins of the United States Coast Guard.

Back in 1990, Admiral, you promised us three main themes. You promised people, balance and excellence and they were to be the

watch words of your tour and in my opinion your actions indeed have been true to your vision. Under your leadership, the Coast Guard stands ready and able to confront the challenges of a third century of service to this country and your legacy resides in the strength of the Coast Guard family.

Work life initiatives, total quality management in fact continue to deliver returns and I think will for years to come. And, again, I want to thank you, Admiral, for a job well done.

Since 1990, we discussed the importance of rebuilding the Coast Guard's aging fleet of cutters, planes, and shore stations. I am pleased to see that the administration agrees with us and has requested \$440 million for the AC&I account. Among many of the projects, this request will continue the VTS 2000 program; it will build four new buoy tenders; twenty new motor lifeboats, all desperately important programs that were investigated and authorized by this subcommittee.

Unfortunately, when the House passed its budget resolution last Friday, they did recommend cutting \$100 million off the President's AC&I request in order to fund programs in other agencies. As the budget reconciliation moves forward, we will be asking each member of this subcommittee for their assistance in correcting this oversight.

For the record, there were no hearings, there were no testimony received, there was no evidence to back up this \$100 million reduction and it was simply as we looked at so many of these statistical number for some preordained budget numbers and we will need the assistance, as I said, of every member to make sure that that area is corrected when appropriations are completed in this party.

The 1995 budget request will mean a lot of cuts, consolidations and sacrifices. The Coast Guard's work force will be reduced by 1000 military and 100 civilian employees. There are plans to decommission eleven cutters, ground nine aircraft, close fourteen small boat stations, cut an additional 1000 reservists and consolidate the vessel documentation offices. What is more, the budget completely eliminates funding requests for two very successful programs, bridge administration and boating safety. The subcommittee has not received the details of many of the proposed cuts and we may need to schedule follow-up hearings to consider the effects of those specific recommendations.

Before we hear from our distinguished group of witnesses, I would like to now recognize the ranking minority leader, Congressman Howard Coble, for his opening statement.

STATEMENT OF HON. HOWARD COBLE, A U.S. REPRESENTATIVE FROM NORTH CAROLINA, AND RANKING MINORITY MEMBER, SUBCOMMITTEE ON COAST GUARD AND NAVIGATION

Mr. COBLE. Thank you, Mr. Chairman. I would like to also extend a welcome to Admiral Kime and the other witnesses to our hearing regarding the Coast Guard budget request for fiscal year 1995.

Admiral, I don't want to sound like we are trying to accelerate your departure with an brow heading for the beach but I want to echo what the Chairman has said. You have done a good job and

I want to thank you for your many years of excellent service to our country and to the Coast Guard.

Mr. Chairman, I have several concerns about the President's budget request for the Coast Guard. One of my most prominent objections lies with the Administration's drug control policy which greatly reduces the Coast Guard's drug interdiction efforts. While it would add \$1 billion for drug treatment and education programs, the President's budget would cut our nation's drug interdiction efforts by \$95 million. The Coast Guard would lose \$14-1/2 million, 14.6 million, to be precise, in its drug interdiction activities. During 1989, the Coast Guard spent 24 percent of its operating budget on drug interdiction. This budget would reduce drug interdiction by only 9.5 percent of the Coast Guard's operating budget.

While I am certainly not opposed to efforts to help individuals who seek treatment for drug abuse, I think we are making a grave mistake in opening up our borders to drug smugglers and I fear that is precisely what it would do.

Just last month the Coast Guard seized 300 pounds of cocaine on a Honduran ship. Without the Coast Guard's efforts, all of this rat poison is what I call it, all of this cocaine would have ended up in the United States. I am afraid that all the treatment programs in the world will not save us if our streets are flooded with cheap, illegal narcotics.

I am going to digress just a bit, Mr. Chairman. The illustrious philosopher, Admiral Pogo, used to have a statement not unknown to any of us. When he was surrounded by adversarial situations, he would declare we have met the enemy, and it is us. Admiral, there is an obvious feeling of discomfort, perhaps even fear, in the Coast Guard Reserve family.

And they tell me that they have the fear that the Coast Guard establishment perhaps has not dug in its heels with sufficient tenacity in speaking up for the Reserve program and I would be glad to hear from you. I can neither reject nor confirm these fears but you know the old adage, Admiral, perception is 95 percent of it and that is the perception that is running rampant in the Reserve community.

After watching the number of Coast Guard reservists reduced by one-third in less than three years, it was my belief, Mr. Chairman, that the Reserve would stabilize around 8000 members. I was incorrect. The President's budget calls for yet another reduction of 1000 reservists. It was only last October that you, Admiral Kime, sent our subcommittee a detailed report about the Coast Guard's internal assessment of Reserve strength which determined the appropriate size of the Coast Guard selected Reserve to be 8000 members.

I strongly believe, Mr. Chairman, that the Administration is cutting into the bone of the Coast Guard Reserve. At this level of manning, I am wondering if the Coast Guard Reserve can continue to function as an effective defense force in times of war as well as a national life line during natural disasters which, of course, as you know, Admiral, has been one of the hallmarks of this fine service.

I also look forward, Mr. Chairman, to hearing from Lieutenant Colonel Clark regarding the budget proposal to eliminate Federal

grants for State recreational boating safety programs that will affect individual states' efforts to improve boating safety.

I share the recreational boaters' concerns about this proposal to eliminate a large percentage of the funds used for recreational boating safety programs, especially since the funds for these grants come from the fuel taxes paid by the recreational boaters themselves.

Again, Admiral, it is good to have you here, you and your associates. Mr. Chairman, I yield back my time.

Mr. TAUZIN. Thank you, gentlemen, any other opening statements? Mr. Lancaster. Mr. Stupak.

STATEMENT OF HON. BART STUPAK, A U.S. REPRESENTATIVE FROM MICHIGAN

Mr. STUPAK. Thank you, Mr. Chairman. Mr. Chairman, last week was not just the President's budget resolution but also some of us, I know you and I did, spoke against all the budget resolutions because of the deep cuts in the Coast Guard's budget.

We are not insensitive to the Coast Guard's concerns of deep cuts and big demands on a very little budget but as Mr. Chairman and members of this committee know, I am very concerned about the Coast Guard plans to decommission the ice cutter, *Mackinaw*, which is berthed in Sebewaing, Michigan, and they propose to decommission the *Mackinaw* on December 31, 1994.

This past year has shown us that the ice season is one of the worse ever, at least worse in the last 20 years in the Great Lakes and the case has been made quite poignantly by the vessel operators of the Great Lakes that the Coast Guard is really in no position to decommission the *Mackinaw* until a suitable replacement is found such as the Juniper class vessels which are currently being constructed by Marinette Marine. But yet these vessels, even the Juniper class vessels, will not be on line until fiscal year '97 or '98 should, and it is a big should, the appropriation process deliver the much needed funds to fund Marinette Marine to build this Juniper class ice breaking vessel.

The Coast Guard has proposed the use of 140's. 140 ice breakers replaced the *Mackinaw* until Juniper class vessels are complete and underway. Mr. Chairman, with all due respect, the 140 class tugs are not designed to operate in heavy ice and they have a record of high maintenance and breakdowns when working in the high or thick ice of the Great Lakes region.

A video that was recently made available to us and I think the Coast Guard has already seen it shows how ineffective the 140's are in the heavy ice of the Great Lakes and when this video was shot, it was January of 1994 and our heavy ice didn't really sock in until about February.

But the tape shows two 140's matched side by side against the *Mackinaw*. The 140's became stopped and actually stuck in the ice and the *Mackinaw* had to go in there and cut out a clean track and steer a course through the ice for the 140's.

Mr. Chairman, I look forward to hearing the testimony of the Commandant today with regard to this issue. I would also like to thank you for holding this hearing and hopefully we still get up

there and have a field hearing up on our ice breaking capabilities in the Great Lakes.

It is my hope that working with the Coast Guard, the light carriers, the seafarers, and Congress, we can keep the *Mackinaw* working to keep the shipping lanes open in the Great Lakes now and for the years to come until we find a suitable replacement if that is necessary. Thank you again, Mr. Chairman.

Mr. TAUZIN. Thank you, Mr. Stupak. Ms. Taylor, opening statement? Then we are pleased to hear your testimony, Admiral Kime, and you have heard in the opening statements some of our major concerns. Perhaps you can focus on some of those in your opening statement. Admiral Kime.

STATEMENT OF ADMIRAL J. WILLIAM KIME, COMMANDANT, UNITED STATES COAST GUARD

Admiral KIME. Thank you, Mr. Chairman, let me begin by telling you it is a great pleasure to be back before this committee again. It must be about the 50th time and unfortunately it will be my last, and so I do so with some very mixed emotions.

I have appreciated very much the help, the guidance, and the leadership that you have shown and the members of the committee have shown. I would like, if I could, Mr. Chairman, to have my entire statement entered for the record.

Mr. TAUZIN. Without objection, that is so ordered.

Admiral KIME. And I would like to make a short statement and at the conclusion of that, Mr. Chairman, I could speak directly to the issues that have been raised or I could wait for questions, and I would do that at your pleasure.

Mr. Chairman, I have got with me today on my right, Captain Tom Collins, who is Chief of our Programs Division, and on my left, Captain Terry Cross, who is Chief of our Budget Division.

Again, let me thank you, Mr. Chairman, for your kind words in your opening statement, and you, Mr. Coble, and I am very pleased to be with this committee again today to talk about the Coast Guard's fiscal year 95 budget and the impact on the current state of the service.

Mr. Chairman, as you know, the President has initiated significant changes to address the nation's needs and I strongly support these initiatives, and I am here today to explain how the Coast Guard's fiscal year 1995 budget request furthers these initiatives.

Our '95 budget clearly supports the Administration's goals of deficit reduction and investment and it includes streamlining initiatives which when fully annualized, total over \$100 million, and it provides for essential Coast Guard infrastructure investment.

Many of the streamlining initiatives proposed make good business sense and I would recommend them regardless of budget constraints. However, developing this budget was not easy, and we had to make some very difficult choices and in your opening statement you gave examples of the key ones and I will not repeat those.

I would prefer not having to propose some of these reductions, however, these and other initiatives were needed to meet the presidential and congressional deficit reduction goals and some of the spending caps.

And, I am acutely aware of our responsibilities to the public and, Mr. Chairman, we did not make any of these decisions quickly or lightly. We worked hard with DOT and OMB to carefully craft the budget that has been submitted. The reductions included in our request were very carefully selected to minimize the adverse impact on our ability to deliver essential services to the public.

Therefore, I am concerned that if we are precluded from taking the proposed reductions, the resulting reductions that would have to be required to meet the budget target could have a significantly greater adverse impact on our ability to deliver essential public services.

And as you indicated in your statement, Mr. Chairman, and as referred to also by Mr. Stupak, I want to stress the importance of the Coast Guard being funded at the requested level, and as you know, we have not been funded by the Congress at the level requested by either President Bush or President Clinton during any of my years as Commandant.

And funding below the requested level in fiscal year 95 or the addition of other initiatives by the Congress will require even more reductions, so I will ask that you view our 1995 budget request as the first installment of a multi-year plan to accomplish our streamlining in a way that allows us to continue to deliver essential services to the public. And, very importantly, Mr. Chairman, to be fair to the Coast Guard people.

We are a people-intensive operating agency and streamlining means fewer people and, therefore, to continue to accomplish our missions, we have to have the people with the right skills and the right jobs operating modern and efficient equipment.

This budget seeks funds and legislation to help us do that and in this context we are asking for personnel management tools including transition benefits that will allow us to streamline our work force fairly in selected specialties to match our operational streamlining initiatives.

Attrition or across the board reductions in force, or RIFs, do not allow the needed flexibility and, therefore, securing these personnel management tools for the Coast Guard, and these tools are similar to those in DOD's personnel management toolbox, is one of my highest priorities.

Equally important to getting the personnel management tools is an adequate investment portfolio. In each of my last three appearances before this committee, I stressed the need to adequately fund the Coast Guard's Acquisition Construction and Improvements, or AC&I, Appropriation and I am going to do that again today.

As you indicated, Mr. Chairman, I also note with grave concern that the House budget resolution passed last Friday calls for a reduction of \$100 million in AC&I funding from that recommended by the President.

I want to thank you and other members of the committee for your strong support to try to reverse this and for your efforts in speaking out on behalf of the Coast Guard. I would like to reiterate what you said that this action was taken without any hearings either at the authorization level or the appropriation level. They basically put us back, Mr. Chairman, to the level that we were at last year with only about \$307 million of new money as a benchmark,

the lowest in recent memory for the Coast Guard and perhaps half of what we need to maintain the capital plant that we have.

Given the reality of flat budgets and a shrinking work force, increased investment and state-of-the-market technology and the tools we use to do our jobs is absolutely necessary, and I can give you one example.

Our new Seagoing and Coastal buoy tenders will replace inefficient 50-year-old ships with ships that have state-of-the-market technology. This will permit us to replace the combined fleet of 37 ships with only 30, while employing fewer people per ship.

Deployment of these new buoy tenders will save about \$25 million annually. We will need fewer people and fewer dollars to deliver improved services. I think this is what streamlining is all about and it makes good business sense.

About three years ago, I testified before this committee in the Coast Guard's fiscal year 1992 budget request and that was my first opportunity to do so as the Commandant. As you indicated, I outlined three basic themes; people, balance and excellence.

And as I appear before you today, Mr. Chairman, to present my last budget request, I am pleased to report that with your help and the help of the members of this committee, I believe we have succeeded in each of these areas.

Our people programs, which I referred to jointly as Work Life have been extremely successful. First term retention rates are at an all time high, and I believe in large part because of our demonstrated concern for our people and their families.

Coast Guard operations are now strategically balanced and this has allowed us to enhance or multi-mission nature and give the taxpayers the very best possible return on every tax dollar invested.

We have built on the Coast Guard's well-deserved reputation for excellence and have institutionalized the principles of TQM that are going to facilitate continuous improvement in everything the Coast Guard does.

I am also proud to report that today's Coast Guard better reflects the diverse society we serve, and we will continue to improve in this area. I am extremely proud of the accomplishments of the Coast Guard over the past four years and, regarding our future, I am most concerned about the state of our capital plant and our growing inability to recapitalize our assets at adequate levels.

As I noted earlier, to deliver essential services to the public tomorrow demands adequate investment today. Since 1990, our enacted AC&I levels have decreased each year well below the required annual levels that I referred to previously of almost \$600 million.

This shortfall has created a growing backlog of maintenance and replacement needs in the capital plant and unless we address this soon, we won't be able to sustain the capital assets needed to provide the vital services to our customers.

And I am equally concerned about our overall operating funding levels and, as I said, we can continue essential services if our fiscal year 95 request is approved. However, as downward budgetary pressures continue in fiscal year 96 and beyond, I ask that you try and hold the line against further operating cuts that would inevi-

tably result in reduced services, services the public has come to depend upon and expect from the Coast Guard.

Mr. Chairman, in closing, I would like to thank you and the other members of this distinguished committee, both personally and professionally, for the support and guidance that have been given to me over the past years, not just my years as Commandant but many years before that.

I ask for your help in passing the Coast Guard's fiscal year 1995 budget as a package and continuing to compensate Coast Guard personnel in parity with DOD. As I prepare to turn over the helm to my very able successor, Admiral Bob Kramek, I share your deep concern in keeping the Coast Guard Semper Paratus.

Thank you, Mr. Chairman, I would be pleased to answer your questions, either specific ones you have now or those raised in the opening statement.

[Statement of Admiral J. William Kime may be found at end of hearing.]

Mr. TAUZIN. Admiral, let me throw out a real softball to you first but one I think that is important for you to have the chance to answer and that is looking back over the last four years, what is your impression of the most lasting contribution that you see having been made to the Coast Guard's future?

Admiral KIME. Well, Mr. Chairman, I think I have to go back to reflect on people, balance and excellence, the things that I have hung my hat on as Commandant. I think I have had the leadership, I think, of the greatest organization in the world for the past four years.

We have been through a very challenging period; the demands of OPA-90, a war, other national security demands, growth in fisheries missions, the drug mission continuing to be significant, and many other things that we have.

And I think that we have proven our value to the Nation and through this I have kept my vision of people, balance and excellence, and I think that has been manifested in many ways, our improvement to people and housing and health care, relocation and transfer assistance, family support, and our ability to retain and recruit some of the finest young men and women in the country.

And I think we have enhanced our flexibility to shift, as the demands placed on us by the Administration, the Congress and the country change. And everywhere I go, I see the principle of continuous improvement has taken hold right from the deck plates right to the board room in the Coast Guard.

And I think we have made some significant improvements in the way we do business through TQM and strategic planning. I think we are ahead of the National Performance Review and more recent legislation in that regard, the Government Performance and Results Act.

We have redesigned the business practices of the Coast Guard, but most important, I think we have managed to provide the service to the American public that they have asked for and respond to unexpected and expected crises as they appear.

I am pleased with the fact that our work force now more closely represents the diversity of this country; and, as I said in my open-

ing statement, we have made great progress. We have a great way to go, but we are working very, very hard to do that.

I could talk about the mission accomplishments, the earthquakes, the fires, the hurricanes, Desert Shield, Desert Storm, our role in the Adriatic, the outstanding job our people did in Puerto Rico on the oil spill and in Tampa Bay, the work we are doing to save lives in the Caribbean—the illegal migrants, tremendous search and rescue cases that we have experienced.

But, Mr. Chairman, let me say in closing that this has been one of the most challenging and exciting times of my life, and I think it has been a very challenging time for the Coast Guard. And I hope I leave a legacy of a good foundation. I hope I provide for a smooth transition between myself and Admiral Kramek because I think with the help of people such as yourself, he is going to be the finest Commandant we have ever had. Thank you.

Mr. TAUZIN. Well, succeeding you is going to be easy, filling those shoes is going to be tough, replacing you is going to be tough. I wanted to give you that chance, frankly, Admiral, because I thought it would be good for both the committee and the public here attending to hear that summation of some of the extraordinary work and achievements of the Coast Guard over the last four years, many of which I think are laid right at your doorstep and many of which we can truly say are achievements directly related to your own kind, your own brand of leadership, particularly the people improvement in the United States Coast Guard, and for that I think the committee and the Nation will forever stand in your debt, sir.

But as you leave we are looking at some pretty big changes. You call it streamlining and reorganization. They are pretty significant changes in the way we would operate the Coast Guard and the direction we take the Coast Guard.

My friend, Mr. Coble, I know wants to address areas concerned. He mentioned the move away from drug interdiction which is a serious concern to many members of this subcommittee and the very serious concerns we all have for the changes in the Reserves, particularly in the support for this important element of readiness in our country.

And I will leave those for Mr. Coble to address. But I wanted to talk about some of the other big changes to give you a chance to discuss them with us a little more in detail and perhaps to look at how we can best accommodate some of those changes.

One of them deals with boating safety and the recommendation that grants the states be eliminated. How is the boat safety account now scored in this budget process against the Coast Guard's budget?

Admiral KIME. Mr. Chairman, the moneys that come to the Coast Guard are scored directly against function 400. They come from the Boat Safety Account and are scored directly against the Coast Guard so every dollar that the Coast Guard processes and passes onto the state is counted against our budget, our ceiling, these ceilings that have been imposed by the Administration and by the Congress beginning with the Omnibus Budget Resolution Act of 1990.

Mr. TAUZIN. So while these are not moneys actually expended by the Coast Guard, they are now counted against the Coast Guard budget ceilings under the Act, is that right?

Admiral KIME. Yes, sir, that is true. Unlike other funds that are contributed by the boating public with the 14-cent a gallon tax on motor boat fuel, all the moneys that are expended for the Coast Guard are charged against our budget. Those expended in other areas are not charged against the comparable Federal agency.

Mr. TAUZIN. So in a real sense your budget is being discriminated against in this process in the way this is being scored and I take it that is your complaint with the boating safety account. It is not with the program itself nor with the fact that the moneys are collected to be used for that purpose.

Admiral KIME. We are very strong supporters, Mr. Chairman, of the boating safety program. It has been a resounding success. I have mentioned many times, most recently at the Coast Guard address, what a success it has been.

Beginning in 1972, we had over 20 deaths per 100,000 boats. It is now down to below four. It was an effort to get the states and the Federal Government working together. That has been done with the states contributing as much as \$4.00 per every \$1.00 of Federal money that is contributed.

And we are very pleased with the relationship we have with the state boating law administrators and the people who work in the states for them. We think it has been a major success story.

However, faced with the types of cuts that we have, Mr. Chairman, and the way that the money is scored for the Coast Guard, if we were to have to absorb the \$35 million a year by taking additional cuts, and you have already mentioned some that the Committee finds difficult to accept and certainly we do too.

But I could give you an example. This would represent a reduction of 31 patrol boats, 110's, or it would be 58 82-footers, or it could be 120 law enforcement detachments that you have talked about, or 27 HH-65 helicopters, or 18 Falcon jets or 13 C-130's. It would be 10 large VTSs and 38 small VTSs.

This is the kind of choices we are faced with, numbers of buoy tenders. We believe, Mr. Chairman, that based on the sound record of the states that if, in fact, a cut like this has to be taken, this is the best way to take it as far as its impact on the boating public because the boating public is the large user of our search and rescue program where we spend hundreds of millions of dollars a year.

Almost 63 percent of the cases for search and rescue involve recreational boaters. The same with aids to navigation where they make maximum use of this. So certainly we felt that we were making the best of a very, very difficult choice because of the way the funding is scored against the Coast Guard.

Mr. TAUZIN. So isn't this really a game of chicken? I mean if we want to keep the boat safety account, are we being told either the states are going to lose this money or find a better way to score it so the Coast Guard does not have to take this hit in other important areas?

Admiral KIME. We are not offering this up as a game of chicken, Mr. Chairman, or as the Washington Monument. What we are trying to point out is the fact that the scoring does result in a signifi-

cant impact against the Coast Guard now that the Congress has imposed the ceilings that we are talking about.

If, in fact, some way could be found to do that, I think that would be helpful. The Coast Guard has pursued this, but this is an issue really that is above my pay grade. This is something that is between the Congress, the Congressional Budget Office and the Office of Management and Budget.

This is a pay-go issue and based on some recent rulings, if, in fact, you have to change the law, then there has to be an offset or a reduction and either way the Coast Guard would lose that same \$35 million and all these resources you are talking about. So it is not something that makes us very happy at all.

Mr. TAUZIN. What is your position on the National Association of State Boating Law administrators' request for appropriations to the boat safety account?

Admiral KIME. Well, a permanent appropriation would do just what I talked about, Mr. Chairman. It would provide the same amount of funds to the states, but at the same time would not count in scoring against the Coast Guard budget.

This, of course, would be ideal for the Coast Guard, but as I pointed out, this is not a decision for the Coast Guard to make. From our point of view, it would work very, very well but it is a decision that I think has to be taken up by OMB and the Congressional Budget Office and the Congress.

Mr. TAUZIN. But if we made such a decision, there is no question that the Coast Guard would, in fact, continue its current level of commitment to the state boating safety programs, I take it?

Admiral KIME. Absolutely no question at all, Mr. Chairman. One of the first speeches I made when I became Commandant in 1990 was to various boating groups here in Washington and around the country and at that time I indicated my strong support.

There was a feeling that perhaps we were too much involved in drugs at that time, that we had forgotten—

Mr. TAUZIN. Drug interdiction, you mean.

Admiral KIME. Drug interdiction, yes. Very important. Thank you, Mr. Chairman. I said your counsel and guidance is always appreciated. Let me say that I reiterated our strong support for boating safety, and I think my actions have borne that out over the years, so we would look forward to finding some way out of this and continue to provide the same support to the boating public.

Mr. TAUZIN. We are going to try, of course, to find that way. As you know, the boating safety accounts are very important to us so we will hear in the next panel about it some more but I wanted to make sure we had your position well stated.

Admiral KIME. And we would like to continue to work with you and the committee, Mr. Chairman.

Mr. TAUZIN. Thank you, sir. Bridge administration. We heard from Secretary Peña about the President's recommendation to move the Truman Hobbs funding into the Federal Highway Administration.

Obviously, we need legislation to accomplish that and obviously there is some real concern that we raised with Secretary Peña relative to what happens in the meantime. Are we going to see some

bridges not repaired in time, and some dangerous situations continuing to exist in the meantime.

When will we see the proposal for legislative changes in this area?

Admiral KIME. Mr. Chairman, let me give a little bit of background on this particular issue. This was a recommendation made by the appropriations committees of the House and Senate in conference last year in passing the fiscal year 94 budget and certainly the appropriations for Truman Hobbs had been about \$12-\$14 million on average and of course that too is counted against the Coast Guard's budget.

There are billions of dollars in the highway trust fund. The Federal Highway Administration and the Secretary of Transportation have agreed that moneys for bridges also could come from that source.

And, we are working right now very carefully with the Federal Highway Administration, Secretary Peña and his staff, to draft legislation. That effort has begun and you should be seeing that within a matter of weeks.

We certainly consider this a very high priority. What this does, Mr. Chairman, is only shift the funding source for highway bridges from the Coast Guard to Federal Highway Administration.

Mr. TAUZIN. As opposed to railroad bridges, correct?

Admiral KIME. As opposed to railroad bridges and the administration of the bridge program, both for highway and railroads, would continue to rest with the Coast Guard. That is in determining which bridges are obstructions to navigation, in determining the opening and closing schedules for bridges, etc., looking at the environmental impacts, types of fendering systems required, type of lighting systems required.

We hope that this is only a change and this is the intent of myself, of Mr. Rodney Slater, who is the Administrator of the Federal Highway Administration, and Secretary Peña, just a change in source of funding and the rest of the change should be invisible to the public that depends so much on the service the Coast Guard provides.

Mr. TAUZIN. Well, I take it we still need a legislative proposal to make that change, correct?

Admiral KIME. Yes, we do, and I indicated it was in preparation and we should have that to the Committee within a matter of several weeks.

Mr. TAUZIN. And, finally, I think my time has expired. I simply want to get maybe an indication from you. I understand you are close to publishing COFR regs, how close?

Admiral KIME. I have made a recommendation to the Secretary of Transportation on what should be done with COFR regs, an issue that has been going on, I guess I have been involved in this or related similar issues since 1981. It has been submitted to the Secretary. It is being worked in the highest levels of the Administration.

We would hope to take the next step sometime in early May, Mr. Chairman. I feel a great need to take some further definitive action on this before I pass from the scene. I am fully aware of all of the concerns that you have expressed, members of this committee have

expressed, members of the environmental community, members of the shipping community, members of the international community.

And hopefully we have taken those into account. Certainly we do not want to see a train wreck any more than you or anybody on this committee or, in fact, any of the people that I mentioned do.

Mr. TAUZIN. So I take it we are closing in. Do you have a prospective date on when you said it would be, May?

Admiral KIME. I have pushed very hard, Mr. Chairman, to have this accomplished before I retire on the first of June. I would like to have this next step taken and made public sometime in early May and that is the goal that we are proceeding toward.

Mr. TAUZIN. Thank you very much. I will now recognize Mr. Coble for questions.

Mr. COBLE. Thank you, Mr. Chairman. First of all, Mr. Chairman, I would like to introduce into the record statements from Congressman Gilchrest, Pombo and Fields.

Mr. TAUZIN. Without objection, any written statements from members will be permitted into the record.

[The statements follow:]

STATEMENT OF HON. WAYNE T. GILCHREST, A U.S. REPRESENTATIVE FROM
MARYLAND

Mr. Chairman, Mr. Ranking Member, I welcome the testimony of the Commandant today. The Coast Guard performs many important tasks that are vital to assuring the safe conduct of commercial and recreational vessels in the Chesapeake Bay region and we need to assure the Coast Guard has sufficient resources.

First, I have serious objections to the Coast Guard's proposed decommissioning of the USCGC *Tackle*, Harbor Tug Class (WYTL) stationed in Crisfield, Maryland. This cutter was first assigned to Crisfield in 1982 and has been instrumental in assuring safe passage of vessels in the region.

Given the severe winter conditions of this year, the *Tackle* has been instrumental in assuring safe passage of waterborne commerce, particularly the transport of fuel oil. I would like to include in the record comments by the Delmarva Transport Committee, Inc. which commended the *Tackle* on its efforts this winter. Also, included is correspondence from the Mayor of Crisfield.

And, I would like to submit questions to the Coast Guard about the proposed decommissioning of the *Tackle*.

Another concern I have is over the Administration's proposal to reduce spending from the Boat Safety Account. This Account, which comes from taxes on motorboat fuel, provides funds for State boating safety programs.

This committee recently approved legislation to strengthen recreational boating safety programs; to reduce Federal spending for boating safety at the same time seems counter productive.

At this time I would like to include a copy of a letter I received from the Superintendent of the Department of Natural Resources Police of the State of Maryland on this matter. A reduction in Boat Safety Account would lead to a reduction in State enforcement personnel. As the number of recreational vessels on the Chesapeake Bay continues to increase, a reduction in enforcement personnel would lead to a reduction in response time which could result in loss of life.

If the USCGC *Tackle* is decommissioned, how does the Coast Guard intend to assure ice breaking capacity for Crisfield, Maryland and surrounding communities?

How does the Coast Guard intend to provide other services—search and rescue, waterside fire-fighting, pollution prevention—that the *Tackle* provides?

What is the cost of the *Tackle's* operation?

What are the costs of other vessels performing missions currently assigned to the *Tackle*?

[The material submitted may be found at end of hearing.]

STATEMENT OF HON. RICHARD POMBO, A U.S. REPRESENTATIVE FROM CALIFORNIA

Mr. Chairman, thank you for holding today's hearing on the Coast Guard Budget for Fiscal Year 1995. In reviewing the Coast Guard budget for next year I am deeply troubled with two aspects of the Administration's proposal.

Over the last several years the increased interest in recreational boating has placed more and more vessels on our nation's waterways. One of my main concerns is to provide increased safety for recreational boating. The State Boating Safety Program's main purpose is to prevent recreational boating accidents by educating boaters and providing increased law enforcement. The Coast Guard was appropriated \$32.5 million in FY 1994 for this program. In the FY 1995 budget the Administration proposes to eliminate funding.

The Coast Guard station located in Rio Vista, California, is responsible for patrolling a majority of the waterways in my Congressional District. The primary mission of this facility is to deal with search and rescue. Studies have shown that accident prevention is more cost effective than search and rescue. The elimination of this program will have an indirect burden on placing more demands on Coast Guard stations like the one in Rio Vista.

As the members of this subcommittee are aware, the Federal portion of this program is fully supported by the Federal gas tax paid by the recreational boaters. Each time a boater fills his or her gas tank a portion of the money goes to this fund. If the funds are not appropriated for recreational boat safety the money will be spent on sport fish restoration projects. The Governor of California has made it clear that the State is slated to lose about \$2.4 million annually from the elimination of this program. Without these funds it is likely that California, as well as many other states, would not be able to continue an active boating safety program.

The second aspect deals with the problem of drugs and our society. The Clinton Administration has focused drug policy on "demand reduction" programs. Though I support the efforts of drug treatment and drug prevention, I do not believe there should be a decrease in funding for illegal drug interdiction for the Coast Guard or any other Federal agency involved in this issue.

I have the privilege of representing a substantial amount of the California Delta. On the hundreds of miles of waterways, drugs are being moved in and out of the area. Most of the illegal drugs produced in the State of California are grown in neighboring counties to my Congressional District. These drugs are being transported to the major port cities of Stockton and Sacramento. These ports provide the gateway for drugs to end up on the streets and small cities which encompass my district.

The President's National Drug Control Strategy emphasizes drug treatment programs for hard-core drug users and other drug prevention activities over drug interdiction and other law enforcement measures. Some officials will argue that the President proposed budget request of an additional \$1 billion for drug control resources over last year's levels shows a commitment to fighting the war on drugs. I would point out to these same individuals that the drug interdiction programs will be cut by \$95 million. This amount is an 8 percent decrease from FY 1994 levels and a 20 percent decrease from FY 1993 levels. This refocusing in drug policy will have the real result of cutting approximately \$14.6 million for the Coast Guard interdiction activities.

To decrease drug use in the United States there must be an emphasis on controlling the supply. The President's drug control strategy will encourage drug smuggling and make drugs more plentiful on the streets of this nation. Law enforcement reduces drug use by raising the threat of apprehension. Fear of getting caught is what casual users themselves say was most responsible for the dramatic reduction of drug use over the last several years.

Between 1990 and 1994 the total for Federal drug control spending grew by nearly 80 percent. Of that increase, the biggest segment was for prevention and treatment programs (up 99 percent), but these increases were not at the expense of law enforcement (up 90 percent).

Steps need to be taken to reduce the free flow of drugs into this country. Between 30 to 50 percent of estimated cocaine production is now stopped before it reaches U.S. streets. The Coast Guard is one of the first line of defense against the transportation of illegal substances. I am disappointed with the direction the Clinton Administration wants to take with regard to the drug problem in this country. I especially look forward to hearing Admiral J. William Kime's testimony on what impact the reduction in both the State Boat Safety Program and drug interdiction program will have on the Coast Guard over the next year.

Finally, Mr. Chairman, I am sure the other witnesses today will provide insight in how the Administration budget will affect the operations of the United States Coast Guard.

Thank you.

STATEMENT OF HON. JACK FIELDS, A U.S. REPRESENTATIVE FROM TEXAS, AND RANKING MINORITY MEMBER, COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. Chairman, budget problems are not new to those of us who are strong and consistent supporters of the United States Coast Guard. Since coming to Congress in 1981, I have fought each year to assure that the Coast Guard has adequate funding to carry out its multiple responsibilities. In the past, we have worked together on a bipartisan basis to fund the Coast Guard at the authorization levels requested by the previous Administrations.

Unfortunately, this year the Coast Guard funding request is particularly grim, and the problem is the President's FY '95 budget submission. Based on policy decisions made by the President in Function 400, the Coast Guard operating expenses are dangerously deficient.

Unless their operating funds are restored, the Coast Guard will have no choice but to slash \$100 million worth of services to the public, including cuts of an additional 1,100 military personnel, elimination of all regional documentation centers, small search and rescue units, and aircraft and vessel performing various important life saving functions. In short, there is simply no way that the Coast Guard can adequately perform its ever growing number of "roles and missions" under the budget request of this Administration.

Mr. Chairman, one of the biggest problems in the President's budget is the proposal to consolidate the Marine Safety Offices in Galveston and Houston Texas. This consolidation will compromise the safety of shipping in the Houston Ship Channel, and leave the Coast Guard without a presence in the seventh busiest port in the world. It is a serious mistake to allow budgetary concerns to overwhelm safety considerations, and I will be working with the Coast Guard to address this problem.

Another problem in the President's budget request for the Coast Guard is the significant reduction in the drug interdiction funds. The President's National Drug Control Strategy released last month emphasizes drug treatment programs for hard-core drug users over drug interdiction and other law enforcement measures. To implement this strategy, the President's FY '95 budget contains a \$1 billion increase for treatment, prevention, and source-country eradication programs and a \$95 million decrease in drug interdiction funds.

I do not support the President's drug control strategy because it cripples our drug interdiction efforts. To actually decrease drug use, a national drug control program must emphasize ways to control the supply as well as the demand for drugs. By neglecting tough drug interdiction activities at the border, the President's drug control strategy will encourage drug smuggling and make drugs more plentiful on the streets of our country.

A majority of the Members of this Committee joined me in submitting views to the House Budget Committee asking them to restore \$14.6 million to the Coast Guard in FY '95 to maintain a strong drug interdiction program at our borders. This restoration should come from other accounts in the President's drug control budget, such as drug treatment or other prevention programs.

I also oppose the Administration's proposal to eliminate funding for state boating safety grants. This is a bad policy decision for several reasons. First, recreational boating safety will suffer if the Federal grants are eliminated because the states will not be able to maintain their boating safety programs without the Federal funds. Second, this program is fully supported by the Federal gas tax paid by recreational boaters. Third, this "cut" is phony since it will result in no real savings to the Government because amounts not appropriated in the Boat Safety Account are spent without appropriation the following year on sport fish restoration projects.

Another proposal in the President's request is to fund the repair of highway bridges that are deemed to be hazards to navigation through the Federal Highway Administration (FHA) Discretionary Program, rather than through the Coast Guard's Alteration of Bridges Program. I am concerned that even if we change the law to allow this arrangement, the funds may not be available to ensure that safe bridges continue to be constructed.

Finally, the President's budget proposes another deep cut in the number of Coast Guard Reservists from 8,000 to 7,000 reservists. Last year, the Coast Guard released a study supporting the Administration's decision to cut the Coast Guard Reserve to 8,000. The additional cut to 7,000 is completely unjustified. The Coast

Guard Reserve is important to augment Coast Guard emergency activities, such as oil spills, floods, and hurricane relief. The country's emergency preparedness is severely threatened by the proposal to cut the Reserves to this level.

Mr. Chairman, if funds are not restored to the President's request for the Coast Guard, there will be fewer individuals in the Coast Guard than any time since 1982. Since that time, we have added many major enforcement responsibilities to the Coast Guard in the law enforcement, navigation safety, and environmental protection areas. The Oil Pollution Act of 1990 alone consumes millions of dollars in resources. If we do not change course, Congress will be forced to review Coast Guard missions and eliminate entire missions from Coast Guard responsibilities. I hope that we can convince our colleagues in the House and Senate that this is a bad policy, and that we need to provide the Coast Guard with adequate funding in FY '95.

Thank you, Mr. Chairman.

Mr. COBLE. And I realize, Mr. Chairman, we have a lot of people here today and I am not going to go into great detail on one question. Admiral, maybe I can talk to some of your budget people about this subsequently but I am concerned about the Administration's request that is going to result in you all having to cut back about \$100 million in services over the next several years and then on the other side of that coin a 34 percent increase in the AC&I budget.

I want to talk to somebody later on at a time mutually convenient where we can square these numbers up but I want to—

Admiral KIME. Mr. Coble, if I could just speak to that very quickly. We are talking about not only \$100 million cutback this year but perhaps each in the next two years to meet the ceilings set by the Congress.

But the 43 percent increase in the AC&I budget I think is very misleading. It is a 43 percent increase over the lowest budget we have ever had and, in fact, if in fact the House budget resolution holds, in fact, there will be no growth, and that is our biggest problem.

I think we are painting over rust in that area. It is not our idea to slight either. We are trying to, as I use the word, balance this funding issue between those two appropriations.

Mr. COBLE. OK, maybe we can talk in more detail about that.

Admiral KIME. Yes, sir, we would appreciate doing that.

Mr. COBLE. Let me zero in on two issues that are of concern to me. I will start, Admiral, I guess, as I said at the outset, I can neither refute nor confirm the fears in the Reserve community but I guess my question in the words of Pogo, is the enemy us?

The budget proposes that the Coast Guard cut another 1000 selective reservists. If this reduction, in fact, occurs the Coast Guard Reserve will have taken a 45 percent reduction cut since 1987. During this same period, the Army and Navy Reserves would see a 23 and 32 percent cut respectively.

And I guess what I will ask you, Admiral, is why has the Coast Guard had to take such an inordinately large share of our nation's military reserve cuts? I have had dozens of reservists, Admiral, and I do not mean the belly-achers and the whiners, the ones who consistently gripe and bitch about this, that or the other, I mean dedicated Coast Guard people.

And they feel they have been hung out to dry, Admiral, and they feel the Coast Guard hung them out to dry. And it bothers me if, in fact, there is a semblance of truth to that. I am just wondering if these cuts just—I am not suggesting this, Admiral, and I am not

accusing anybody of anything but I am just wondering if maybe we just said, well, let us just cave in.

They are determined to get 1000 more, we have reduced it down to 8000, now they want 1000 more out of our hide, how is the best way to respond, just throw up our hands and say take the whole thing with you because I think you will agree, Admiral, the Coast Guard Reserve has served this country very ably since its inception in 1940 or '41. It is just my memory now. So I would like to hear from you on that, Admiral.

Admiral KIME. I appreciate the opportunity to shed some light on this, Mr. Coble. First, the Coast Guard has not given up. I entered this job with four stars on my shoulder and they are not going to be blown off by anybody, certainly not pressures that are not justified, and I am going to stand up and fight for what is necessary.

The Coast Guard Reserve is very necessary, and they have the very strongest support from me, and I think all of the top leadership of the Coast Guard. And I try to reiterate that at every possible opportunity. They are a very key part of the Coast Guard family.

One of the things that we are trying to do is in these difficult budget times justify the size of the Coast Guard Reserve, and I think a very fine study was done last year and indicated that the size of the Coast Guard Reserves should be 8000 people.

And that was broken down to about 950 to fill billets and requirements from the Commanders in Chief, about 6700 to keep our ports open from which we would forward deploy now that we have pulled back our presence in Europe and elsewhere in the world, and about 350 people for Coast Guard-specific missions.

This would enable us to meet the surge capacity that we would have in the event of a major regional conflicts, and you know the national security plan now is for the U.S. to be able to respond to two plus of these at the same time or relatively close together, and also to meet the capabilities that we have called on or the needs that we have called on from the Reserves so many times.

The Exxon Valdez oil spill, natural disasters, what went on certainly in the Persian Gulf, all of these things are extremely important; we want to preserve these. And we think we have something that we can justify in the 8000 number.

Mr. Coble, the reduction to 7000 is pure and simple a budget consideration, nothing more than that. I have read off what we are doing in the Coast Guard now. We, over the last few years, have lost about 4-1/2 percent of our people and probably will continue to do that on the active duty side.

We are becoming very, very comparable to DOD as we go down the slippery slope, and at the same time you seek to meet budget necessities, we have made some very difficult choices. We have taken a multi-year approach to our operating expense budget, something that we have not done before.

We have looked at acquisition that way, but that is representing the loss of 17 Falcon aircraft, the loss of five patrol boats, recently, another 11 vessels in the budget this time, the closure of up to 14 stations this time, a significant impact on the boating safety program.

So we are trying to balance all of those, Mr. Coble, and certainly the Reserves should not feel any more than the people in the boating safety program or the people in the drug interdiction program or the search and rescue program or aids to navigation program that are facing these cuts that they, in fact, are being singled out because of lack of Coast Guard support. It is not.

These are just very difficult budget times and, as I have said, we have not had the President's budget in the last four years. We hope we get it this time. We look for your support.

We are working very hard to stabilize and further document the importance of the Coast Guard Reserve and to use them in the most cost-effective way. We are part of a study that the Assistant Secretary of Defense for Reserves, Ms. Deborah Lee, has put together on looking at the utilization of the Reserves in the seagoing services.

We have also put together as a result of last September's flag officer's conference a group to study the training augmentation and utilization of Coast Guard Reserves and the two Coast Guard Reserves flag officers are playing a major role in that.

In addition, Mr. Coble, and I believe this is public knowledge, Admiral Kramek has indicated that during the period from the beginning of the summer until the early fall that Rear Admiral Robert Slaunson, a reserve officer, is going to take over as head of the Office of Coast Guard Readiness and Reserve.

I hope I have been able to somehow temper your fears just a bit. I think the commitment I have to the Coast Guard Reserve is as strong as anyone else's in the Coast Guard, and I think that resolve from all of us is very, very strong.

Mr. COBLE. Thank you for that, Admiral, and perhaps at a mutually convenient time, maybe we can get our heads together, maybe even the Chairman, you and I, whoever else from headquarters you would like to bring in on this and plow this field maybe one more time.

Admiral KIME. We would be pleased to do that, Mr. Coble.

Mr. COBLE. Let me ask one more question, Mr. Chairman. I realize time is elapsing. As I mentioned in my opening statement, Admiral, I am concerned about the cutback on drug interdiction.

Now I am convinced, and I challenge anyone to disprove it, that the Coast Guard's drug interdiction program significantly reduced drugs coming into this country across the Caribbean.

I am furthermore convinced that if this reduction is carried out, we are going to have those drugs flowing again across the Caribbean. I am confident you would probably agree with that. I will give you a chance to either reject or confirm.

But, Admiral, what current Coast Guard drug interdiction activities will you all have to terminate in order to save this 14.6 million if, in fact, you have to make that choice?

Admiral KIME. Well, Mr. Coble, I think that being a multi-mission organization, it spans many of the reductions we are talking about. Certainly the cutback in aircraft, the cutback in patrol boats, the cutback in two medium endurance cutters, these will be involved.

Previously, you know, this year as a result of the fiscal year 94 budget that was passed by the Congress, we had a preemptory cut

of \$9 million directed by the Congress to our drug interdiction program.

The House Appropriations Committee initiated that at \$11 million, and it was only the Senate in conference that got it reduced to \$9 million. Of course that greatly reduced the number of patrol boats we have down in South Florida, caused us to get rid of a medium endurance cutter and greatly reduced our staff efforts.

We hope, Mr. Coble, that this reduction we have seen is the last of this, if at all possible. I certainly agree with you on the importance of the Coast Guard's contribution to the war on drugs, our effort on the supply side.

Let me put in perspective where we are right now as a percentage of our budget. Back in the late '80's we were spending about 25 percent of our operating expenses on drug interdiction. And I use the word balance as one of my three watch words, Mr. Coble, because I thought that was too much.

We were neglecting many of the other programs, fisheries, law enforcement, environmental protection, perhaps search and rescue and others, and I think the Exxon Valdez was the culmination of the fact that perhaps our resources were not being totally directed in the balanced way they should.

I felt that we reached a very good level about fiscal year 92 when about 15 percent of our budget went into drug interdiction and our total law enforcement percent was still about a quarter—over 25 percent of the Coast Guard budget.

Now that has gone down to about 10 percent the last two years mainly because of the draw off of drug interdiction resources by the \$9 million cut that we saw and also because utilization of our resources had been shifted to the migration problem, the illegal migrant problem, that we have coming mainly from Haiti but also from Cuba, China and the Dominican Republic.

If we were able in this fiscal year to go back to the level of operations in alien migrant interdiction that we had in fiscal year 92, the amount we would be spending on drug interdiction now would be almost 15 percent, which is a bit in excess of what it was in 1992 after I felt we reached a balanced stage.

We have had some significant results in the drug interdiction effort, and I am very much concerned about that because I was recently, by the President and Dr. Lee Brown, given another duty, to go with my duties as Commandant, when I was designated U.S. interdiction coordinator. I have the responsibility in that particular area to ensure that drug interdiction resources are adequate, to ensure that they are integrated both by schedule and location, to ensure that they are used the most effectively and to go forward to try to get additional resources if possible.

And I can guarantee you I am going to do that, Mr. Coble, for the Coast Guard and for all the other agencies involved in interdiction. The President's new policy under PDD-14 to place greater emphasis on the demand side of the problem certainly has a great deal of merit.

But people sometimes are quick to say, well, he has dropped his interest in interdiction. If you were in Prince George's County as I was when the President introduced his new drug interdiction pol-

icy just a few weeks ago, he stated very clearly that interdiction has a very important and continuing role to play.

And that is one of the functions I am going to be fulfilling as the U.S. interdiction coordinator. Mr. Coble, we have interdicted this year 1-1/2 times as much cocaine and more than that additional amount of marijuana compared with what we did last year so we are also trying to work smarter in what we do, and I think we are having some success.

I share your concerns that we not be drawn down any further and I hope we can hold the line.

Mr. COBLE. Thank you, Admiral. Thank you, Mr. Chairman.

Mr. TAUZIN. Thank you, Mr. Coble. Mr. Lancaster is gone. Mr. Taylor is next.

Mr. TAYLOR. Thank you, Mr. Chairman. Admiral, like everyone else I want to congratulate you on your many years of service. Thank you for your good work. I am just curious on the war on drugs, what percentage of the cargo containers that enter this country on a day or year will the Coast Guard inspect?

Admiral KIME. Mr. Taylor, a very small percentage will be inspected but based on the—

Mr. TAYLOR. Could you give me that number?

Admiral KIME. I can provide that to you for the record.

[The following was received:]

CONTAINER INSPECTION PROGRAM

The Coast Guard has no general at-sea container inspection program, but does support various embargo operations in support of maritime intercept operations.

The Coast Guard received funding in the FY94 budget for 76 people to establish a container inspection program to enforce hazardous materials transportation regulations. We estimate that inspectors will be able to check between one half percent and one percent of hazardous materials containers, or between 10,000 and 20,000 containers, each year.

An existing Memorandum of Understanding (MOU) between the Coast Guard and U.S. Customs Service addresses coordination during inspections of intermodal freight containers. If during the course of Coast Guard container inspections, inspectors discover drugs or other contraband, then the MOU would be invoked and Customs notified. The focus of Coast Guard container inspection efforts, however, is on hazardous materials compliance.

We have distributed 51 people to inspection offices around the country to significant container ports like New York, New Jersey, Los Angeles and Long Beach and have also set up a container training team that will be training our people to look at containers.

Mr. TAYLOR. Would it be less than 5 percent?

Admiral KIME. Oh, absolutely, it is less than 5 percent.

Mr. TAYLOR. Would it be less than 2 percent?

Admiral KIME. It could very well be, between 1 and 2 percent. The Coast Guard with funding received in the fiscal year 94 budget for 74 people is beginning a program of container inspection working in conjunction with the U.S. Customs Service that has the primary responsibility in this particular area.

It will be a joint operation. We have distributed about 50 plus people to inspection offices around the country to significant container ports like New York, New Jersey, Los Angeles and Long Beach and have also set up a container training team that will be training our people to look at containers.

Mr. TAYLOR. So what percentage of the total volume of goods that come into this country being measured, say, in a 20-foot con-

tainer units does the Coast Guard actually inspect? I realize some of them will be 40-foot sailboats.

Admiral KIME. Less than 1 percent, less than 1 percent. And how much does Customs inspect? As I say, they have the lead role in that but it is still a very small amount. It is very difficult to unstuff a container and look at it. That is why we are, through the joint effort at R&D, with the national drug policy are looking at means of examining containers for illegal drugs short of just using brute force to unpack the container and search and put the material back in.

Mr. TAYLOR. The offshore supply boats that the Coast Guard leased, chartered, whatever, with the balloons on them, what percentage of the time were they tied up at the dock?

Admiral KIME. I would have to provide that to you for the record, Mr. Taylor. I don't—

Mr. TAYLOR. Less than half the time, more than 80 percent of the time, more than 90 percent of the time?

Admiral KIME. I would say that the time they were not on station was either due to the scheduling considerations and positioning or problems with the balloons and the radar themselves.

This was a joint effort between the Coast Guard and the Department of Defense. I will give you the exact number, I certainly will.

Mr. TAYLOR. Could you give the committee the times?

Admiral KIME. I will.

Mr. TAYLOR. Underway versus sitting at the dock.

Admiral KIME. Yes.

Mr. TAYLOR. Underway and operable with the radar operating and the balloon operating.

Admiral KIME. Weather is a consideration in many things, and we need to break that down into the proper parts for you.

[The following was submitted:]

DAYS OF OPERATION

During the time the Coast Guard operated the Sea Based Aerostats, they were required to be underway 27 days out of every 30-day period, and to be operating 90 percent of those 27 underway days. Our review of the data indicates that operations exceeded the 90 percent requirement.

Mr. TAYLOR. Admiral, I am just curious with your budget cuts. I realize there are a lot of ways into this country but there are some things that I guess could be called choke points in the military or by a traffic cop.

I have always been curious, has the Coast Guard ever taken the time to inspect, say, like tow boats that are waiting to lock through the industrial canal locks in New Orleans where all that East/West commerce is going to pass right by your station?

Did you ever take the time to while they are fleeting up—now I realize while they are locking through the crewmen are busy and the captain is busy but while they are waiting on either side of the lock-through which in many instances is a 24-hour wait, what percentage of those vessels do you inspect?

Admiral KIME. I do not think that we have concentrated on vessels in intracostal commerce or in through the intracostal waterways or on the western rivers specifically for transporting drugs from one state to the other.

I think our effort has been to try to keep the drugs out of the country in the first place. There tugboats have been boarded, some significant seizures have been made. Certainly, if there is any intelligence or any indication to that, in fact, that drugs are being moved in the way you described, we certainly would follow through on that but you are talking about something like 7000 tow boats and I do not know how many barges and how many tons actually are being moved——

Mr. TAYLOR. Give it a percentage. How many of them do you think you all have inspected over the period of——

Admiral KIME. I don't believe we have a specific program for inspecting for drugs on barge traffic within the United States unless there is some reason to believe there is. Just the sheer numbers of vessels, and the lack of resources, indicate that our resources are much better placed in trying to keep the contraband out of the country in the first place.

Mr. TAYLOR. But let us just visualize the perimeter. You got 200 miles out. You can imagine how large the perimeter of the United States is and then you move it in 100 miles and it has shrunk considerably and then you have only a limited number actually of actual access points for a large vessel to get into this country, even smaller.

It seems kind of strange instead of going all the way out where the perimeter is the largest——

Admiral KIME. Well, Mr. Taylor, I think we are looking at the war on drugs as far as the supply side beginning in the producing countries such as Bolivia and Colombia where we are working very closely with the ambassadors, with the DEA, with DOD and that is one of my responsibilities to work with them and the interagency working group headed up by Ambassador Gelpard, the Assistant Secretary of State for International Narcotics Matters.

In addition to that, there are many vessels stationed near the departure zone to try to gather information on suspect vessels and interdict them. We aren't generally patrolling out in the middle of the ocean.

We do patrol the choke points, the Windward Pass, the Mona Pass, the Anegda Pass, the Yucatan Pass and in various places up in the Bahamas, but to try to blockade the entire coast of the United States and to search either in domestic commerce or these large container ships where millions, literally millions of containers come into the country each day without the benefit of intelligence or without the benefit of greatly enhanced ability to detect short of unloading the containers is probably not the best use of our limited resources.

Mr. TAYLOR. Admiral, you have made a point for me. There are container ships coming in where the guy has a better than 99 to 1 chance that his container ship won't be inspected. In Colombia if you merely file a flight plan, for all the DOD assets down there, for all of the AWACS, for all of the ground support troops with the radar stations, for all of the E-3s and P-3s, KC-135s, if a guy merely files a flight plan, we don't even bother to look in his plane.

The Colombians have no night capability nor to my knowledge have they shot anybody down that we have told that they had

drugs on board. We go through all this effort and what do we really get for it, Admiral?

Admiral KIME. Well, I think we have gotten a great deal for it, Mr. Taylor, and you are starting to touch on some areas that are classified as to what we are doing in country, and I would be very happy to provide you either in closed session or privately with a brief on what we are doing in country in the particular areas that you have talked about.

I think the interdiction is extremely important. It is possible for the cocaine producing countries to produce about three times the amount of cocaine that is needed to be consumed in this country, and we can say that perhaps about somewhere near a half of that is either diverted, disrupted, or actually seized in some way.

There is still a great deal. This is one part of the problem. We have to go after the drug problem from both the supply and the demand side, and the supply side has many facets.

We are beginning to do inspection of containers for hazardous materials. The Customs Service has the lead role for inspecting containers in our ports; this is not a Coast Guard lead role. We don't have the resources. But in conjunction with the container inspections that we do, we will continue to work with them.

Specifically, most of the large seizures have taken place because of intelligence, and we expect—from containers, and we expect that that will continue to occur.

Mr. TAYLOR. Admiral, why is it that the different organizations—I am asking a general question now, because many of the things I mentioned are not classified, but the public should know about them. If we are going to get serious about the war on drugs, then we need to address the weak links in the chain because as you taught me at boot camp 20-something years ago, a weak link is the one that breaks the chain.

Why aren't we addressing the weak links? Why aren't we telling the Colombians that if we are going to go to all this trouble to identify targets, that at least you ought to check them out. The Peruvians do it, and yet we won't even give the Peruvians the airplanes to do it or the spare parts for their A-37s.

I would think that the Coast Guard would be a major player in this. I mean after all the Joint Operation Task Force like Task Force 6 and the folks you have in Panama, they are major players. Why aren't they coming to the Congress to recommend these changes?

Admiral KIME. Well, the effort in country is one where the Department of State has the lead, and of course Coast Guard and DEA and DOD work with them. There are rather significant legal restrictions on what can be done in country.

Certainly the DEA has the greatest flexibility, next is the Coast Guard where we have a specific expertise, and finally, DOD has the least authority in country. We have made significant strides in working in Bolivia and Colombia with the Colombians.

In fact, there are initiatives now that they are putting forward that we have under consideration that go far and away above what they have been doing in the past, and it is some of those initiatives that are classified, and they are classified for a very good reason

because as I speak to you, every drug dealer in the world is listening to me.

If you would like——

Mr. TAYLOR. You don't think they know these things already?

Admiral KIME. What things, Mr. Taylor?

Mr. TAYLOR. What we have talked about. You don't think they are aware of that?

Admiral KIME. I think the specific initiatives that are being considered right now perhaps they are not aware of.

Mr. TAYLOR. Thank you, Mr. Chairman.

Mr. TAUZIN. The Chairman now recognizes Ms. Fowler whose state neither has a drug problem nor an illegal immigrant problem.

Ms. FOWLER. I am very concerned. I will share what has already been expressed by the Chairman and other members about the cuts in the drug interdiction. I am deeply concerned. As you know, Florida, we have three sides that are totally open and the Coast Guard has done an excellent job in past years in interdiction and to see these cuts, you know, you had the 9 million last year and now you got the 14.6 million this year.

And I have got a listing of what all is going to be cut, equipment, etc. This is just unacceptable, and we have got to get back because to me we are being penny-wise and pound-foolish because for every ton of marijuana or pound of cocaine that comes into this country because you weren't out there to interdict it that we are going to be spending a lot more in this country on health aid, on prison time, on prosecuting people, crime. You go down the list.

And so I am deeply concerned that we are not being very farsighted in this policy. I had the figures that last year in '93 you interdicted, I will round it off, 32,000 pounds of cocaine and 23 tons of marijuana, so how much of that now is going to get into this country next year because you are not there?

And I commend you, I guess I should sympathize with you for taking on the job as interdiction czar because looking across this government, funds are being cut in drug interdiction in every single agency that I have looked at.

I just was in a hearing this morning on the Guard and Reserve and I just met with my Florida National Guard. Their funds are being cut substantially for drug interdiction in the budget that came out last week.

The BYRNE program was cut out of the Department of Justice which is strictly for drug enforcement. \$20 million went to the state of Florida this year for that program to fight drugs, so everywhere I look funds are being cut for drug interdiction. You aren't the only one being cut, but we have got to somehow put a stop to that.

And certainly we need to put funds into education but we have got to continue on our interdiction side so I am going to do everything to join with other members of this subcommittee and many of us signed dissenting views, and I think we will keep working on that.

And the other statement I just would like to make is I am also concerned and it has been expressed by the Chairman on the elimination of the state boat safety grant program.

Florida has the dubious distinction of leading the Nation in the past three years in boating deaths and injuries and accidents, and

a large part of that is because of our temperate weather. You can boat year round down there so we have a lot of boating going on.

I received letters from my State Game and Fish Commission, from the Department of Environmental Protection, etc. They are very concerned about the cutting of this program. We got \$3.3 million this past year for our boat safety program.

It is my understanding that when this tax on marine fuels was put in, the understanding was that part of that money would go back to the states for the boat safety program. That is why that got through. I wasn't in the Congress at the time but I understand that was part of the way it got sold.

Now we are going to still keep paying that tax but we are not going to be getting back any of those dollars for our boat safety program, so my question is should we repeal that tax or where are those dollars going to be going now because they are no longer going where our states were told they were going to go—which was back to the states for their boat safety programs.

In the figures I have, I think this past year you got \$70 million from the Aquatic Resources Trust Fund, 35 million of that went to the states, 35 million went to you for your recreational boat safety programs.

So I am very concerned that we now are going to have our boaters paying a tax for which they were receiving a benefit, and now for which they will not be receiving that. They are going to ask instead that states now start paying for this unless, you know, you get them to pay for it again, so I am very concerned what we are doing in that regard.

Admiral KIME. Ms. Fowler, let me take your second point first to tell you that we are concerned about that too, and we have had a dialog with the Chairman about that at the beginning of the hearing.

We recognize the importance of the boating safety program. This, I think we agreed, is really an accounting problem that we are talking about, and we have agreed to work with the Committee to try to resolve that.

Let me say that based on the 1992 Clean Boat Act that there still is \$7.5 million that will go to the states in '95, and that will increase in '96 and '97 to 10 million and it will be 20 million for subsequent years.

Ms. FOWLER. Versus 35 million this past year.

Admiral KIME. Versus 35 and—

Ms. FOWLER. That is a big difference divided among—

Admiral KIME. The 35 million will still go back to the states, and it will go back to the Sport Fish Restoration account. It does not go anywhere else. It goes to the states, but they can only use about 12 percent of that that goes back under that path for boating safety, and that is only access for boaters to the water.

We share your concerns, and I think we have had a lengthy discussion about what the issues are and the importance that we have given to the program in the past, and I have also indicated the dramatic impact on the Coast Guard if, in fact, \$35 million had to come from somewhere else given the facts that the states and especially the state of Florida are contributing so greatly to the boating safety program.

Ms. FOWLER. Well, all I ask, if you are going to cut it out, then just let us get what we pay in that tax back to our state, and we will run our program because I don't want our money coming up here and going into some other program that was not what we were told it would go to because now to me you are getting a \$35 million windfall because that was money that had been coming to the state that now will not be doing that and the Federal Government—

Admiral KIME. Ms. Fowler, none of that money will come to the Coast Guard anymore, and we share your concerns on this, and we have indicated to the Chairman we will continue to work with you. It is a problem well above, as I said, my pay grade in this government.

In the question of drug interdiction, let me just add that we are concerned about the cuts, and let me say that although we can be concerned, members of Congress can be concerned about cuts dictated by the Administration, the cuts by the Congress go even deeper, so we hope that the concerns that have been expressed by both you and Mr. Taylor can be translated into budget action as we go forward.

We have been extremely successful—

Mr. TAYLOR. Will the Admiral yield?

Admiral KIME. Yes, sir.

Mr. TAUZIN. The gentlelady from Florida—

Ms. FOWLER. I yield, yes.

Mr. TAYLOR. Admiral, the things I brought to your attention have little or nothing to do with budget cuts. They have everything to do with policy cuts. Changing the policy of the United States of America doesn't cost much money but what we need is some guidance from the experts to say we have a problem here, would you please change it?

Admiral KIME. Well, Mr. Taylor, let me say that as a result of presidential review, we have come out with a new classified procedure policy of what we are going to be concentrating on. Our international drug control policy is in the final state of clearance within the administration and once that is available, it is classified, I will make it available to you, and perhaps that will satisfy some of your concerns, the issues you are talking about, the things we are looking at, where we are going to be concentrating our efforts in country.

You talked about a lot of the things here that are being addressed specifically by this plan that is in the final stages of clearance, and I would be pleased to talk to you about that.

Mr. TAYLOR. This is the plan where the President—

Admiral KIME. Absolutely. That was the national plan. The document to be presented is an international plan. It is classified. The document you saw is not classified, the one introduced by the President in Prince Georges County at the prison.

We will be pleased to come up, and I will come up and give you a detailed briefing on the concerns that you have. I think a great number will be answered by that. Also, there is an interagency working group chaired by Secretary Gelbard that is looking at some of these specific issues.

He and I and Admiral Kramek expect to be making a tour sometime in April, once the hearings are over with the Congress, through these countries to meet with the ambassadors to look at some of those things and any specific suggestions that you have of how we can do this better, we would welcome very, very much.

Ms. FOWLER. Thank you, Mr. Chairman. I am through with my questions. Thank you, Admiral.

Admiral KIME. If I could just say, Ms. Fowler, one other thing that when I look at our seizure statistics for cocaine in '91, it was about 32,000 pounds. It dropped to 16,000 in '92 but last year it was back up to 32,000 again.

And with marijuana, we are about 50 percent, in '93, 50 percent ahead of what we were in 1991 so we are working a lot smarter, but you are absolutely right, we can't draw down resources any more in my estimation if we are going to be effective.

We did remove the three SES vessels from Key West. They are being replaced by two newer, much more capable 110-foot patrol boats that are being brought up from Puerto Rico because of the concerns that you have expressed. We share those.

Ms. FOWLER. Thank you. I do appreciate your responding to the concerns of the Florida delegation on the loss of those vessels and we appreciate your replacing those. Thank you. Thank you, Mr. Chairman.

Mr. TAUZIN. Thank you, Ms. Fowler. Admiral, I think the concern goes above your pay grade too. Our concern is the direction of policy and we will have to talk more about it. Somebody said we have decided how to win the war on drugs was not to spend money on prosecuting the war but simply on treating the wounded and burying the dead. I am not sure that wins much of a war.

We will have to talk to the Administration about those efforts. Thank you. Mr. Lancaster is back in the room. I am going to recognize him now. I think he wants to yield.

Mr. LANCASTER. Mr. Chairman, I will yield briefly to Mr. Hutto who wishes to make a statement before I begin my questions.

Mr. HUTTO. Thank the gentleman from North Carolina for yielding. Admiral Kime, I want to associate myself with the concerns of others on drug interdiction and boating safety and to comment that through the years this subcommittee has been a great proponent of the Coast Guard, and we always have to fight with the transportation appropriations subcommittee.

Are you about ready to come over to the Defense Department? You don't have to answer that. I just threw that in.

Admiral KIME. I appreciate that, Mr. Hutto.

Mr. HUTTO. I appreciate the gentleman yielding. I just wanted to congratulate you on your outstanding career, your service to the Nation and to the Coast Guard and to wish you well in the future years.

Admiral KIME. Thank you very much.

Mr. HUTTO. Thank the gentleman for yielding.

Mr. TAUZIN. Mr. Lancaster.

Mr. LANCASTER. Thank you, Mr. Chairman, and thank you, Admiral Kime, on your service as Commandant and on your testimony here today. With regard to my colleague from North Carolina and the ranking Republicans concerned about the Reserves, it is a

concern that I share and perhaps he needs to know that if the Pentagon had been given its request for reductions in reserve and the military aside that those figures would be closer to what you have proposed for the Coast Guard but because of Sonny Montgomery, in particular, and others on the Armed Services Committee, who have held their feet to the fire, those departmental requests have not been approved.

And perhaps what Congressman Coble and others like myself who support a stronger Reserve need to do is to simply disapprove these kinds of requests for deep cuts in the Reserve program rather than allow them to take place.

It concerns me that just last year a study was made which justified 8000 and then with very little credible justification that has been reduced to 7000. You need not comment. I am simply commenting myself on a concern that I have and perhaps the way we should address it.

One of the concerns that I have in general is quality of life that we provide for our Coast Guardsmen and their family. In particular, I am concerned about initiatives that were begun by my colleague and the former chairman of the full committee, Mr. Jones, with regard to specific quality of life issues in North Carolina.

Funds were authorized for improvements, in particular, at Group Cape Hatteras, a facility that was significantly damaged by Hurricane Emily last year. I am concerned that funds that are used to improve the quality of life, not simply to restore the storm damage, but that the storm damage be restored and at the same time the quality of life be improved as had been anticipated by initiatives of Chairman Jones and myself.

I hope that you will speak in general terms to quality of life but specifically to my concerns about North Carolina installations. I also want, if you would, to comment on what, if anything, the Coast Guard is doing to address infrastructure excess.

One of the things that DOD is doing as it draws down its force structure is also drawing down its infrastructure to match the reduction in personnel. Though it is a very painful process and one that has resulted in a loss of excellent installations and loss of jobs in a number of communities, is the Coast Guard making similar adjustments in its infrastructure to match its force structure and, if so, what are those efforts?

Admiral KIME. Mr. Lancaster, first let me say that, yes, we are looking at our infrastructure. My priorities for drawing down the Coast Guard as we face the budget challenge as put to us are, first to look at efficiencies and what we do, administrative overhead, things of that nature, and to see if there are better ways to do things.

We are also trying to get rid of the older resources, the ones that are less reliable and much more difficult to maintain. And as operational resources go away, the corresponding infrastructure for maintenance support of any type if also going away.

In addition to that, we have just commissioned a study that a Coast Guard flag officer, Admiral Gerald Woolever will be heading up on a permanent change of station basis, that will be his full job for about the next 18 months to look at the entire organization of the Coast Guard.

Do we need a headquarters and two area commands and 10 districts and two maintenance and logistic commands? Do we need separate group offices and marine safety offices? All of this is being looked at.

We are looking at how we can streamline our support and maintenance just as DOD does, and in fact we participated with DOD in many studies that they have done in areas such as pilot training, aircraft maintenance, and things like this because they do impact what we are doing.

The point you made is a very, very important one and we certainly are going to follow through on that. We also have commissioned a study looking at how we provide training to our people, are we using the most up-to-date methods.

This, again, is an infrastructure issue with some significant overhead. That study is being headed up by a Flag Officer, Rear Admiral Teeson, and that will be taking place in the next few months.

They will not be completed on my watch, but I am working very closely with Admiral Kramek because these are things we are going to have to look at in the future if we are going to be the most cost-effective agency possible.

Let me talk about the Reserves very quickly. We did have a discussion on this previously and in answer to Mr. Coble's question, let me say that the reduction to 7000 is merely a budget-driven issue.

And we certainly were pleased to receive support from the Congress but the support cannot just come by passing a law saying we can't reduce because if we can't reduce the Reserves, then something else is going to have to go, perhaps it is somebody's ice breaker, perhaps it is somebody's station or something of this nature. So we are looking for budget support in this area also.

In the case of Cape Hatteras, yes, we certainly agree that conditions down there are substandard. We owe a report to the Congress concerning how we are going to spend \$5.5 million. This was required by the House Appropriations Committee and by the end of April we will have that to you.

We will be expending far in excess of the \$5.5 million, some coming from AC&I, others coming from operating expenses so we will not need another authorization to do that, but we will be spending upwards of \$8 million on an issue not just to repair storm damage, but most importantly, to make the facility what it is required to be in, both as an operating unit and a unit to support our people that staff it.

MR. LANCASTER. I wonder if you could comment more generally on how this budget addresses quality of life issues Coast Guard wide.

ADMIRAL KIME. We have taken this approach to protect quality of life in many areas. We have tried to minimize first the impact of the cuts on our people. We have tried to spread out the reduction of our forces over as long a period of time.

We have legislation that will be coming forward to the Congress this time to insure that our people receive the same benefits should they be forced to leave on an involuntary basis as DOD persons do. That is both the regulars and the Reserves.

We took action on the Reserve program last year in the legislative season. This time we are looking for the regular program. This is things such as the variable separation initiative, selective bonuses that can be given. DOD can give 1.5 times the normal separation bonus in selective rates or they can give a continuing compensation over a period of two times the number of years you have served.

They could also be either/or, and we can do it on a selective basis, and DOD is allowed to give a 15-year retirement and we have asked for legislation for that. We have also not cut back in the things of quality of life.

I have said in my statement I hope we do this in a way that treats the Coast Guard people properly and that is what we have tried to do, not take cuts on the backs of our people.

And I think we are being very consistent with DOD in what we are talking about. The Work Life initiatives with the various Work Life staffs are not going to go away. We are increasing the number of chaplains we have.

We are not cutting back on the pay and compensation of our people although we did have to look to the DOD appropriation last year to fund the pay raise. For our civilian personnel, we are providing career counseling.

We are doing everything we can to avoid RIFs. We are supporting the Administration's initiative for first voluntary early outs and also a procedure whereby people that do leave early do receive compensation.

All across the board in what we are doing, Work-Life is one of the driving forces as we cut back. And, also I mentioned this was a multi-year project and that is one of the reasons to do it, a multi-year project.

I announced all the cuts, except for the stations, in a message to all the Coast Guard people, so there is no uncertainty. We hope that our people aren't jerked around by stations at one time being open, one time being closed by whatever reason.

And when the shore stations that are going to be cut based on this budget are identified in about a month, as I told the Chairman, we will make that list available not only to this committee but to all of our people.

Mr. LANCASTER. Thank you.

Mr. TAUZIN. Thank you, Mr. Lancaster. Mr. Stupak.

Mr. STUPAK. Thank you, Mr. Chairman. Admiral, in the decommissioning order, I want to talk about ice breaking. I share the concerns about drug interdiction and all that but I want to talk about ice breaking.

In the decommissioning order on the *Mackinaw*, it would be indicated it would be replaced by tugs, the 140-foot bay class tugs. The ice breaking capabilities of these tugs, as you know, the beam or the width is only 35 feet. The *Mackinaw* has 10,000 shaft torque power where these tugs have 2500. The *Mackinaw* can work for days where the tugs can only go for 12 hours.

Is it your intent then to replace the *Mackinaw* with just one of these tugs or more?

Admiral KIME. Well, Mr. Stupak, you have couched your question with some presumptions that I can't agree with. First, you talked

about the amount of time that the 140-foot icebreakers can operate saying it is 12 hours. That is not true.

They can go for three or four days of continuous operation, but it is Coast Guard policy for the tugs and for the *Mackinaw* for safety and effectiveness considerations to not operate at night if at all possible.

You talked about the beam of the tugs being 35 feet compared with 74 feet for the *Mackinaw*. Let me say that the tugs in cases where it would be necessary would operate in tandem giving them the same capability for breaking the width of channel that is necessary.

You talked about the horsepower as being a true measure of icebreaking effectiveness. If that were the case, sir, the ore carrier with 17,000 horsepower would be 1.7 times as effective in breaking ice as is the *Mackinaw*.

A better relationship is the horsepower to length ratio, and you take just the horsepower ratio which is about 4 to 1, 10,000 versus 2500. If we look at the ratio that we have with horsepower to length and if we give credit for the 15 percent increase in horsepower that the bubbler system gives us on the 140-foot breakers, that ratio is 3 to 2.

So we feel that the capability of the 140-foot icebreakers are being grossly underestimated and understated, we also think that the capability of the *Mackinaw* is sometimes overstated. In fact, wind shifts and things like that are given credit for some of the things that happen.

In fact, on the 10th of January this year the *Mackinaw* was stuck and a 140-foot tug had to come break her out so there are many examples that we can give in these circumstances.

We believe that—we are just as concerned as you and the entire delegation from the Great Lakes are about keeping movement of critical supplies, whether it be iron ore or petroleum or whatever on the Great Lakes during the entire season from the first of April. This year I guess it will be the 25th of March right through the 15th of January.

And we believe we can do that with the vessels that we have indicated, and we do plan to bring another 140-footer up, and the plans are to bring her there by the end of August and home port her in Cheboygan, Michigan where the *Mackinaw* is currently homeported.

If conditions were necessary, we would be able to use two in tandem. We do not believe we need to bring a second one up there. On a seasonal basis, we could bring any number up there if there were a necessity. We do not believe that to be the case.

So we believe with the mix of vessels that we are talking about, we will be able to meet the ice breaking capabilities. Again, Mr. Stupak, this is a significant budget issue. In fact, there is not money in the '94 budget to continue to do this.

I don't think it is a question that the *Mackinaw* is a more capable ice breaker than the 140-footer. The question is how much capability is needed, and we think based on the 15 years experience with these vessels, the 140-foot class, and the study done by the Coast Guard R&D center that we will have the capability.

Please rest assured that this is not a decision that we have taken lightly, and we share your concerns, and we believe that we have a cost-effective solution to the problem, and that once the money to operate the *Mackinaw* runs out on the first of June, when the appropriation stops, although we will not be decommissioning her because by law we can't, we will be bringing another vessel in to assume those responsibilities.

Mr. STUPAK. Well, with your testimony then are you saying you are going to change the policy and let the 140's go more than 12 hours?

Admiral KIME. There has never been a policy that I know of that the 140's can't go more than 12 hours. The policy is a general one that we would prefer not to break ice at night as I would prefer to do it in the daytime, and that is something we worked with the industry up there.

The *Mackinaw* would prefer to work during the daytime also. It is an issue of safety. There are no aids to navigation. Certainly the buoys are gone. Concerns for aids to navigation in the wintertime and operating at night is inherently more dangerous, and certainly when you are operating in close proximity to some of the vessels of the size we are talking about, it is much better to operate in the daytime if you can.

There is no reason why one of these vessels, 140-footers, can't operate for three or four days at a time. In addition to that, there was concern expressed last year about the availability of the 140-footers, the reliability.

In this budget we propose a maintenance and assist team of seven people whose sole job will be to further assist in the maintenance of what we think is a very reliable vessel, and I think when you look at the number of hours of operation of the 140-footers this year compared with *Mackinaw*, it compares very, very favorably.

Mr. STUPAK. Will you provide those hours of operation because our information showed us two of your 140's were again broken down this year much like last year during a critical time. You have five at the Great Lakes, 40 percent of your ice breaking fleet is broken down. That is not very reliable.

The people on Sugar Island certainly do not—you said that your 12-hour policy—they were stranded there for about three days this winter on Sugar Island because there was no ice breaking taken care of at night and the Katmai Bay station up at Sault St. Marie would not do it at night, and we had Sugar Island people stranded there a couple times this year.

You say they are going to work in tandem together, the 140's, then what are you going to sacrifice? You have two 140's near the straits. Of course you have the Biscayne Bay at St. Ignace and Katmai Bay up there in Sault St. Marie. You have to sacrifice one of those if they are going to be working together in tandem.

You are either going to have to take the one out of Sault St. Marie, bring it down to St. Ignace to work in tandem or you are going to take the one in St. Ignace and bring it up to Sault St. Marie. When you do that, you are going to have to sacrifice someplace be it Drummond Island, be it Sugar Island, be it the shipping lanes there.

I just don't believe that it is going to work that way. As the video has shown and I think your office has seen the video, these 140's get stuck. You got to get another one to come pull it out and there you are.

Let us go on to the bubbler system. Do any of your 140's have bubblers now on the Great Lakes?

Admiral KIME. Yes, they all do.

Mr. STUPAK. They all do. And they are still getting stuck as the video showed.

Admiral KIME. Well, I think all icebreakers, Mr. Stupak, get stuck from time to time, including the *Mackinaw* that had to be broken out by a single 140 in January of this year.

Mr. STUPAK. Where was that, sir?

Admiral KIME. I can give you the specifics of that. I can give you the name of the vessel also that we are talking about.

Mr. STUPAK. Because this year alone the *Mackinaw* and your cutters have had to cut out 86 different ships this winter alone.

Admiral KIME. Yes, we have, and our people on the scene up there believe that there was none of the ice conditions that were encountered by *Mackinaw* that could not have been encountered by the 140 and handled by the 140-footers.

The name of the vessel that was broken out was done by the Katmai Bay, and it was the motor vessel, Algo Steel.

Mr. STUPAK. Which steel?

Admiral KIME. Algo, sir.

Mr. STUPAK. Algo Steel. OK, thanks. Admiral, has any thought been given to one of the proposals that has been floated around by the lake carriers running the—we talked a lot about reservists today, but maybe the running the *Mackinaw* from, let us say, December 15 to January 15. That is when we shut down the Sault locks, and then maybe from mid-March. We open them now on March 25 till maybe mid-April.

You are basically running the *Mackinaw* for 60 days during the heavy ice season and have that done by reservists and others. Has that been given any thought if you are going to cut down, make it more of a seasonal ice breaker. Any thought given to that?

Admiral KIME. We have looked at the ability to be able to do that, and it appears that that would be extremely difficult to do. It is necessary to keep a properly trained crew on there and in addition to that, maintenance of the vessel, things of that nature.

It is very, very difficult to lay an ice breaker up much of the way that we lay up the ore carriers on the Great Lakes. Perhaps, Mr. Stupak, an answer to this is user fees. This was a proposal back in 1981 that was made and not received extremely well by folks on the Great Lakes.

Since this is a service provided to a very small group, a very identifiable group, and it is costing the taxpayers over \$200,000 a day for the vessel, perhaps there is some means of arriving at a user fee arrangement that would help solve the problem.

Certainly we will look further at the Reserve program that you talked about and if, in fact, the *Mackinaw* becomes excess, if it were desired to be operated by industry on the Great Lakes and if, in fact, GAO allows us to dispose of it that way, that could be made available also. But, again, we feel that that is not necessary.

Mr. STUPAK. The user fee idea, again. I wasn't here in 1981. I don't mean to speak on behalf of the industry but the Sault locks is the only lock system we have where we are already charge an user fee for using the locks that we built. The other locks in the upper part of the Great Lakes shipping system does not charge a user fee so I can understand the industry's concern about more and more users.

Our concern, of course, 70 percent of all the raw material for steel goes through the Great Lakes season. We finally, after years of discussions with the Army Corps of Engineers, have set a time. We open on March 25, we close on January 15.

We finally got a set system. Now our ability to move the raw materials that we need, not just for steel but generate our power plants and home heating fuel oils, we finally get a set policy and now we don't have the capabilities, we believe, to keep it open.

This year alone we lost 160,000 tons of iron ore that could not be moved because of the heavy ice that started to move in in January so our concern remains that 140's working in tandem just aren't going to make it with or without a bubbler system.

What about the Juniper class, what is the shaft horsepower on the Juniper class, the new ones that are being built?

Admiral KIME. Mr. Stupak, to go back to your other question, of course, your statement, as you and I discussed last time, I guess there is a disagreement about the capabilities of the 140's and I think it is an honest disagreement. The Juniper class has 6200 installed shaft horsepower.

Mr. STUPAK. At this time that is all the questions I have. Would you get me that information on the operating of your 140's and the—

Admiral KIME. Let me provide you a detailed breakdown of the operations of the *Mackinaw* and the 140's for the last couple of years.

Mr. STUPAK. Thank you.

Admiral KIME. Yes, sir.

Mr. TAUZIN. Thank you, Mr. Stupak. Mr. Pickett, questions.

Mr. PICKETT. Thank you, Mr. Chairman. Admiral Kime, I want to add my remarks to those of the other members who congratulated you on your years of service to the Coast Guard. We and the American people deeply appreciate that.

Has someone asked the question about the impact of your change in vessel documentation offices? I have not been in the meeting the entire time. If that question has been asked I will just read it from the record.

Admiral KIME. It has not been asked, Mr. Pickett, and I could address that if you would—

Mr. PICKETT. I would like to know what impact that is going to have on someone who is trying to document a vessel?

Admiral KIME. We hope it will have a very positive impact and with the advent of user fees, we hope it will cut the cost of documentation to our people, to people that avail themselves of the service.

Back in the early 1980's, we had about 105 documentation offices all over the country and they were cut back in 1983 to 15, and that

cutback is cited by some as an indication that the transition period would not be smooth.

Let me say that we are planning a very comprehensive—developing a very comprehensive plan for a changeover that would insure that at the centralized site that work would begin there, the people would still remain in the field offices, and if necessary, during a transition period in high capacity ports people could be left in place as we go through the transition.

Much else is different from 1983. At that time we had a backlog of titles that we were entering into a computer record and about 30 percent of our people in place were doing that instead of documenting vessels.

Our training program this time is going to be better. The law has been changed. As of 1 January 1994, there is no need to swear to various documents that are submitted. In fact, only one document needs to be submitted, and it can be done by mail.

In fact, right now 98 percent of the transactions at our 14 documentation offices around the country are being done by mail or by agents that walk in on behalf of the individual customers, individuals are not walking in.

We are going to have a 1-800 number. Marking certificates are no longer required, which required multiple visits. Registering of mortgages can be done at someone's leisure. It does not have to be done immediately as it used to have to be done.

We have had significant seasonal backlogs around the country where some offices were very, very busy with backlogs in places such as Florida and Hawaii as much as a year, and if someone wants to get a vessel documented quicker than that, they would have to pay overtime for the people.

We believe by putting the people together in a central location not only will we save 22 people and over \$1 million for the Federal Government and for the Coast Guard that could be used for some of the other concerns expressed here today, but that we can provide a better service.

And we do not think we will have the backlogs. We recognize the concerns that people have. The committee has expressed its concerns. We would like to work with the members of the committee and, Mr. Chairman, with you on this issue.

I know that this is an issue that concerns you very much and to try to give assurances that what we are trying to do is not going to lessen the service that we provide to a very important segment of the shipping and ship owning industry.

Mr. TAUZIN. Will the gentleman yield a second? There are rumors, Admiral Kime, that the consolidation-site has already been selected and it begins—it goes to a state that begins with West in its name. Do you want to confirm or deny those rumors?

Admiral KIME. We have several sites under consideration, Mr. Chairman, and—

Mr. TAUZIN. Are all the sites located in the chairman of the Appropriation's Committee's state or—

Admiral KIME. No, some are located in the State of the Chairman of the Coast Guard and Navigation Subcommittee. We are looking at the prices there, about seven or eight sites that we are looking at, and what we are looking at is several things.

One is the actual cost of office space, standard of living for our people which was brought out as an issue of concern, and we are also looking to see if we can make consolidations where we have made other consolidations.

Certainly West Virginia is one of the places that is under consideration as are other areas around the country.

Mr. PICKETT. Admiral Kime, I have a small parochial interest in a little technology project down in Hampton Roads where they are trying to prove the use of alternative fuels, in this case, natural gas, to power a ferry that goes across the Elizabeth River.

Admiral KIME. Yes.

Mr. PICKETT. This has been going on for quite some time to try to get the required Coast Guard approvals to allow this project to go forward. Is there some indication that maybe this permitting process will be coming to an end soon and this project can go ahead and be conducted, this experiment?

Admiral KIME. Mr. Pickett, I am not familiar with the particulars. I know of the issue that is going on. I don't know where it stands. I will provide you that information.

Certainly what you said is not unreasonable with liquefied natural gas carriers, they are carrying refrigerated liquefied gas. There is a boil off and one way of controlling that to keep it from venting to the atmosphere is to burn it in the engines of the vessel so there is a great deal of technology that permits that to be done in a safe way.

It does require doubling casement of the gas as it goes into the engine room, leak detectors, positive ventilation systems, as long as it is natural gas which is lighter than air. Trying to burn propane or something like that in an engine room I think would be an invitation to disaster because it is heavier than air.

But the technology is available. I will look into the status of the demonstration project, the ferry boat down in your district, and we will get back to you very shortly with the status.

[The following was submitted:]

FERRY BOAT PROJECT USING CNG PROPULSION FUEL

The concept review phase has been completed and all concept plans have been approved for Tidewater Regional Transportation (TRT) to convert the *Elizabeth River Ferry* to operate using compressed natural gas (CNG) as a main propulsion fuel. TRT is currently finalizing their detailed design and component selections to submit for final design approval.

The only remaining issues of concern are with the CNG storage cylinders. We are working closely with TRT's design agent, JJH, Inc., and Comdyne, Inc. (the cylinder manufacturer) to resolve the following major concerns; cylinder storage configuration and mounting, cylinder manifolding and overpressure protection, an inspection and testing program to monitor in-service cylinders, and refueling procedures. The first time use of state-of-the-art, composite cylinders on a passenger vessel has resulted in a cautious approach to evaluating their safe use in a marine environment and in close proximity to hundreds of passengers. The review of the safety of this type cylinder has been complicated by the 18 January 1994 and 1 February 1994 explosions of similar Comdyne CNG cylinders on GMC pickup trucks which were converted to operate on CNG. Investigations into the cause of the explosions and the impact on the use of composite cylinders in marine applications are ongoing.

Mr. PICKETT. The final issue, the final question I have, Admiral, has to do with the reduction in your research and development account. This is the kind of thing that of course makes you more efficient in the future.

What impact is it going to have on the Coast Guard's future by taking this money away from research and development?

Admiral KIME. Well, we are concerned about that also, Mr. Pickett. Obviously, some of the initiatives that we have ongoing right now in research and development have proven some significant impact. The relocatable data marker buoys, a piece of equipment used to detect drugs which is better than dogs was developed at the R&D center.

Much of the work we have done to develop solar powered lights for buoys, etc., is being done. There is many other initiatives at the R&D center that you very correctly say are very, very important.

We received some significant criticism from the House Appropriations subcommittee last year about the definition of our R&D program, our priorities and our controls over that program. Working with the Chairman of this Committee, the definition of R&D program I think was clarified in our appropriations bills.

Because of that concern, we did receive a cut last year and because I wasn't satisfied that we, in fact, had satisfied all the concerns the R&D budget is at 20.3 million this year, which is about a 10 percent reduction from last year.

We put together a major study on our R&D program, developed three quality action teams to look in various aspects of prioritization, implementation of R&D and management of R&D and we briefed that up on the hill to the Appropriations subcommittee staff and the response was extremely favorable.

So we hope that if not this year in the future we will be able to increase the level of R&D appropriation because as you have indicated it is extremely important to us.

Mr. PICKETT. OK, thank you. Thank you, Mr. Chairman.

Mr. TAUZIN. Thank you, Mr. Pickett. Admiral, before we surrender this panel, let me get a couple questions in for the record. You indicated the small boat station closure list would be available in about a month?

Admiral KIME. About a month. Our goal to have it completed within the Coast Guard is 15 April, Mr. Chairman.

Mr. TAUZIN. Secondly, let me take you to the overview chart on the budget and brief so we can understand it correctly. One of the most confusing things about the chart which details changes in Coast Guard emphasis from '89 to '95 is this box called enforcement of law and treaties.

Admiral KIME. Yes.

Mr. TAUZIN. And in the '89 graph it covers a section, I think, dedicated to the 23.9 percent drug interdiction. In the '95 graph it covers what I think is migrant interdiction and fish law enforcement. That is very confusing.

Admiral KIME. What we meant to depict, let us go to 1989, Mr. Chairman, and in 1989 we have three types of drug interdiction we are talking about, our law enforcement, enforcement of laws and treaties, drug interdiction of 23.9 percent, fish LE of 7.3 percent, and other LE of about 7—

Mr. TAUZIN. So that box is meant to refer to all three of those?

Admiral KIME. All three of those.

Mr. TAUZIN. And the same is—

Admiral KIME. The same is true down below where we have the addition though is that we have added——

Mr. TAUZIN. You have separated other law enforcement——

Admiral KIME [continuing]. migrant interdiction. If you had to put a high wedge in the 1989 and split out migrant interdiction from other LE, the number would be about 6.2 percent. We did not keep records that way. We tried to reconstruct it.

Mr. TAUZIN. So that migrant interdiction has risen from 6.2 percent to 11.6 percent?

Admiral KIME. Yes, sir, almost doubled.

Mr. TAUZIN. In the budget. What leaps out also is the comparison that drug interdiction has gone down from 23.9 percent to 9.5 percent while fish enforcement has gone up from 7.3 percent to double also to 15 percent.

A fair reading of this would seem to be that we are sacrificing drug interdiction for both migrant interdiction increases and fisheries enforcement increases. Is that right?

Admiral KIME. No, sir, I would say that the fisheries, the main increase in fisheries was done when we balanced out drug interdiction, say, in 1992 to about 14-1/2 percent and fisheries to about 12.4. It has varied around 12 to 14-1/2 percent since then.

Mr. TAUZIN. But when I look at everything else, everything else seems to be rather static. Marine environmental protection is rather static.

Admiral KIME. Yes, it has gone up slightly.

Mr. TAUZIN. Navigation, rather static; search and rescue, rather static; defense readiness, rather static. The only things that have changed dramatically is that drug interdiction has gone down to about a little larger than a third and fish and wildlife—fishery enforcement and migrant interdiction have both doubled.

Admiral KIME. If we were to get rid of the alien migrant interdiction problem, drug LE would go up to about almost 15 percent and fisheries LE would go up also because when you look at fisheries as depicted here, it looks at the entire fisheries enforcement program on the Atlantic coast, the Gulf and the Pacific Northwest.

The increase in fisheries took place about 1992. In the last couple of years fisheries enforcement in the North Atlantic has actually gone down, the number of aircraft days and cutter days.

In fact, we have reduced by about one-third from 1991 to 1993 the high endurance and medium endurance cutter resource hours given in Atlantic areas to fisheries.

Mr. TAUZIN. The Atlantic area is getting less fisheries enforcement.

Admiral KIME. Yes.

Mr. TAUZIN. Obviously, other areas are getting a lot more. Where is it going?

Admiral KIME. Mainly it is off the Pacific Northwest and Alaska where we have international treaties being developed, a great concern about what is happening to the salmon stock, enforcing the donut hole with the Russians, the drift net agreements, things of that nature.

That is what caused the increase up there and what has driven it. It has been mainly the Pacific fleet that has done that. We did transfer, as you know, with more 378s coming out of FRAM, two

additional 378s to the West Coast just for this because they are the only kind of vessels that can operate up in the Pacific Northwest and not beat the people to death, and also do significant damage to the ships.

Mr. TAUZIN. So you don't think it is an unfair critique of these very vivid pictures of change in Coast Guard emphasis that we are shifting from drug interdiction to fisheries enforcement and migrant interdiction?

Admiral KIME. If we stop your question at fisheries enforcement, I would say no, Mr. Chairman. I think because some of the fisheries problems we have been facing what is happening to the fishing industry on all our coasts, a \$50 billion industry, I think we are doing about what we should be doing.

A major impact on drugs has been—

Mr. TAUZIN. Admiral, I am not criticizing the need for fisheries enforcement. I am simply trying to understand the shift in Coast Guard emphasis. When you have 100 percent increase in funding for fisheries enforcement over the same period that you see a 60 to 70 percent, 65 percent, decrease in law enforcement and drug interdiction and 100 percent increase in migrant interdiction as well, there seems to have been a shift in Coast Guard business away from drug interdiction and toward fisheries enforcement and migrant interdiction.

Admiral KIME. There was a shift done and that is part of balance, Mr. Chairman, where we try to bring drugs down from about 20 some percent of our drug interdiction effort and many missions were suffering from that and to balance it and we did at about 14-1/2 percent and that is where it would be today without the migrant interdiction problem.

If I were to take resources to try to make a—I would have to bring West Coast fisheries vessels around and put them in the Caribbean to be able to drop down the percentage that I devote to fisheries.

Mr. TAUZIN. If you were to shift back to drug enforcement, correct.

Admiral KIME. I would have to relocate resources on a temporary basis.

Mr. TAUZIN. Away from fisheries enforcement to drug enforcement.

Admiral KIME. On a temporary basis, because once the alien migrant problem is solved, and it is being worked on very hard, the resources will go back to a balance of what we should have with about 15 percent of our resources being directed toward drug interdiction and that is consistent with the President's policy that was released in February.

Mr. TAUZIN. I know it is consistent with his policy and I know the needs of fishery enforcement. I am just trying to develop an understanding of what is going on in terms of the movement of Coast Guard activities and it does appear to be a rather dramatic shift and I want to echo the concerns of a lot of members of this committee, not necessarily with the job that is done with the resources available.

I think you are correct in that you are doing a smarter job in drug interdiction than you were previously and that is always good

to hear but there is a great concern. I know I told you privately, let me say publicly, there are rumors at least that the drug importers are looking more and more at the Louisiana/Mississippi coastline as a great area to move as you continue to bring pressure on the Florida coastline.

And the word is that the former homeland of Jean Lafitte, the pirate, is now going to become the new import points for much of the South American and Central American drug traffickers and if that is true, that is of special concern, as you know, to this member.

Admiral KIME. Well, Mr. Chairman, you and I met with the local sheriff in your office very recently and talked about this issue, and we are taking a look at that to see if, in fact, there is any indication of increased activity down in that area, and we are going to be very concerned about that and very alert to it and do something about it.

Mr. TAUZIN. We will be very interested in following up on those points because none of us want to hurt fisheries enforcement or migrant interdiction. The state of Florida is filing suit against the Federal Government this week because of its failure to enforce its illegal immigration policies properly.

But I just want to echo the concerns of Mr. Taylor, Ms. Fowler, others who similarly join with us in complaining about the policy changes that have left us with a rather open door to the South American and Central American drug manufacturers.

Admiral KIME. We will try to, Mr. Chairman, echo that to Mr. Carr when I testify before him next week.

Mr. TAUZIN. Thank you, sir. Admiral, thanks again. I don't want you to leave again without me restating what I believe is a commonly held sentiment on the part of this entire subcommittee and that is not only do we concur with you that a lot of improvements have been made in the United States Coast Guard during your tenure as Commandant, but that also the level of cooperation between your office and ours has never been better than the last four years. I want to commend you for that and wish all the best and our sincere gratitude for your service to this country and to this committee, sir.

Admiral KIME. Mr. Chairman, thank you for your help, your guidance, your leadership, and just as important, for your friendship. Thank you very much.

Mr. TAUZIN. You will always have that, Admiral. Thank you very much.

Admiral KIME. Yes, sir.

Mr. TAUZIN. We will now call the second panel up. First, I greet and welcome a brief statement from Master Chief Petty Officer, Jay Lloyd, of the United States Coast Guard before we bring up the second panel so we will stand down a second until we rearrange.

Following the presentation by the Commandant, we always like to hear from the enlisted personnel and Master Chief Lloyd will give us that overview. And, Master Chief, we welcome you and we will appreciate your testimony at this point, sir.

**STATEMENT OF MASTER CHIEF PETTY OFFICER R. JAY
LLOYD, UNITED STATES COAST GUARD**

Master Chief LLOYD. Mr. Chairman, it is indeed an honor to be with you again today. It seems like we are starting this out the same way we ended it up two years ago.

Mr. TAUZIN. Just you and I.

Master Chief LLOYD. Yes, sir. And like I said then, I couldn't have a better audience to give this to. I want to thank you again for the chance to represent the enlisted men and women of our active duty and Reserve Coast Guard forces.

Mr. Chairman, I am very proud to serve in the United States Coast Guard. For the last four years, I have written to USA Today, Reader's Digest, the Mattel toy company, and many others when they mention the other services and not my, our service, our Coast Guard.

I corrected them a number of times. There was a time that the newspaper printed that we had no Coast Guard Reserve and that there were no women in the Coast Guard. A couple of days after I did that, there was a retraction somewhere under used land stating that we did have a Coast Guard Reserve and—

Mr. TAUZIN. Count your blessings, Master Chief. At least they didn't use your picture in the 60 Minutes promotion.

Master Chief LLOYD. I counted that blessing a number of times, sir. I just want to let you know I have made my voice heard—voicing the fact that the Coast Guard is indeed a member of our country's total force and should be so recognized.

One of my recent requests to DOD was that they add the words, "and the Coast Guard", to any proposed personnel legislation. By doing so, that phrase would save the Coast Guard time and money in preparing or duplicating any legislative matter already submitted.

An example of this duplication would be the Coast Guard Reserve transition package, benefits package, and the active duty work force downsizing management transition package. Funding the transition package benefits will give the Coast Guard personnel transition benefits already available to DOD personnel and, as you receive them, I request that you fully fund those requests.

Sir, every year the Coast Guard asks for money for our personnel programs. That money is determined by DOD payment entitlement programs. The uniqueness of our service is sometimes overlooked by those who make such programs.

All of you know that we, the Coast Guard, do not have large support facilities, such as DOD bases, in close proximity to a great many of our units. We have numerous small units with less than 30 people and many enlisted-led units at great distances from high-command.

We blend into numerous communities in this country. Therefore, that is part of our uniqueness. I understand CONUS COLA is not for you to approve or disapprove. Your duty lies in funding it for the Coast Guard if you deem it appropriate.

Nevertheless, I urge the members of the committee to get this program underway and fund it for our people as requested by the Seventh Quadrennial Review of Military Compensation. And, sir,

two years ago I spoke to you of housing repairs needed throughout the Coast Guard.

You asked for me to submit to you names of units that had been on the list more than five years. One of those units, the barracks at Cape May, New Jersey, will start their rehab in the very near future. However, there continues to be a growing backlog that still needs to be addressed.

Today, I would like to inform you of our people's concern on the proposed national health plan. When I visit our people and their families, I am often asked to explain how much our people will lose if such a plan were implemented. I continually inform them, our people, about Champus and about Tri-Care of Champus.

I tell them to write to you on their feelings about the issue of health care. I also tell them to wait and see the legislative debate. A lot of what-ifs will occur before any final resolution is reached.

In the past four years, Admiral Kime has instituted and implemented what has to be one of the most powerful, positive programs to support our people. It is the most powerful program I have ever seen. That program is Work-Life. I know that there are nay-sayers on Work-Life, but it is quite obvious to the most casual observer that they are totally unaware of what our people have gone through or they don't care.

I have sent out Work Life beneficiary guides to my counterparts in the other services. I get rave reviews from them and others such as the National Military Families Association, Noncommissioned Officers Association, and the Fleet Reserve Association.

I would like to share a letter with you that I recently received from the spouse of a petty officer stationed in Boston. "Dear Master Chief Lloyd. I thought it was necessary to express a special thank you from our family on the decision of retaining the military housing in Nahamt and other favorable locations in the Boston area.

"You probably could imagine how tight we have kept our fingers crossed in hopes of the Coast Guard purchasing these homes. Our 9-1/2 year old son is thrilled knowing we can stay here for the duration of his father's tour.

"He can continue to play soccer and Little League he has grown up with. He also won't have to change schools, and you know how that turns out. As for me, I will get to keep my job which is important to us, and it offers a great health and dental plan and, yes, I continue to gain more experience in the banking profession.

"Master Chief, we are only one family. There are 55 more who are affected by this decision. Your input has really put the sense of the Coast Guard can work for its own. We are all proud to belong to such a people service. This proves the Work-Life philosophy can work for the Coast Guard and their families.

"The next time you are in the Boston area"—she goes on to invite me to have a hamburger, and I guarantee you, sir, I will show up on her doorstep. "Sincerely, Lisa Brown."

Some people think that our Work-Life program takes care of our people from the cradle to the grave. That is absolutely not the case. I will say this though, it gives our people a chance to take care of themselves and their families from the cradle to the grave, when they want to utilize the program.

I ask that you completely support Admiral Kime's request. The people of the Coast Guard request the same. As you are keenly aware, the people of the Coast Guard are smarter and more intelligent than ever before.

As our service comes into the 21st century, technology will require ever more training in both hard and soft skills. Training funding provided by you will be paramount for the Coast Guard to continue its multi-mission ability.

This year I am truly sorry to inform you that three active duty Coast Guard personnel lost their lives in the line of duty during last year. Lieutenant Mark C. Perkins and Lieutenant j.g. Marcus Fisher were killed in a helo accident off Ambrose Light, New York. And, SNBM Michael O'Neill was posthumously promoted to BM3 after a tragic accident on Lake Erie, where he lost his life while attempting to keep a tugboat afloat.

As you know, the people of the Coast Guard put themselves in harm's way daily. Their deeds are heroic and many. The Coast Guard is full of heroes. Those heroes are doing great rescues and great deeds.

There are other heroes that support people who do these rescues, deeds and missions. Yet the largest group of our heroes are unrecognized heroes, members of our families that support us in our life's work. They trust that you are aware of them and recognize them as I am sure you do.

Last year I asked for your continued support of the Commandant. Thank you for that support, sir. Through commitment to quality management, our Coast Guard has gotten tremendously better over the last four years in diversity, fiscal, operational and personnel management.

This has occurred under the strong leadership of Admiral Kime and your commitment to his goals of people, balance and excellence. I again ask you for your support of the Coast Guard's budget and for the support to continue for the incoming watch of the Coast Guard.

People of the Coast Guard look forward to a very positive watch under the command of Admiral Robert Kramek. Sir, this is my third and last time to testify before this distinguished committee. My relief, Master Chief Eric Trent, will carry on for our people beginning 1 July 1994.

It will be my distinct honor to turn the watch over to him. He is a widely respected member of the Coast Guard and I am sure you will come to share my positive views of him and his dedication to the Coast Guard.

I would like to thank the members of the committee on behalf of the enlisted force of the Coast Guard, and thank you, Admiral Kime, for what you have done for us. I thank the Coast Guard and, sir, you, for the chance I have had to serve.

Mr. TAUZIN. Master Chief, thank you very much. As usual, your statement kind of puts a human touch on much of what the Coast Guard is about and just as the Admiral has dedicated much of his four-year tour to the human side of the Coast Guard, its families and its Work Life style. I want to thank you for that.

We on this committee are keenly aware that we are dealing with families here and we are dealing with men and women who will

give not only their best service to the country but in many ways call upon their families to sacrifice with them.

We ask you to serve in some very difficult areas and we ask you to serve in sometimes very high cost areas along the coastlines of the country and the movement from the service into civilian life is often difficult and we don't always take that enough into account here in Washington.

But as more members of Congress move into the private life and experience it themselves, we are getting more keenly aware of that. I want to thank you for putting that human touch on it. Thank you on behalf of all the men and women of the Coast Guard for whom you have spoken to this committee over the years. I wish you well, sir, on your future endeavors.

I know that you will be difficult to replace. We look forward again to trying to make sure that some of the problems you cited for this committee today and in prior times are continually addressed that the work of Admiral Kime in bringing a better life-style and quality of life to the Coast Guard men and women is continued in the next administration.

And so, again, thanks, sir. You have done a great service not only to the men and women of the Coast Guard but to the country and I am sure that you will be thanked many times for that but I want to do it again publicly. Thank you, sir.

Master Chief LLOYD. Thank you, sir.

Mr. TAUZIN. We will now call the second panel which will be comprised of Lieutenant Colonel Charlie Clark, President of the National Association of State Boating Law Administrators, Commander William Legg, United States Navy Reserve, retired, and Director of Naval Affairs, Reserve Officer Association of the United States, and Ms. Jane Godwin, Vice President of the Government Relations American Association of Port Authorities.

We would appreciate if you would take seats and we will commence with Lt. Colonel Clark. Again, your written statements are made part of the record. If you would be so kind as to summarize for us, we would deeply appreciate it. Colonel Clark.

STATEMENT OF LIEUTENANT COLONEL CHARLES CLARK, BOATING LAW ADMINISTRATOR

Mr. CLARK. Yes, sir. Thank you, Mr. Chairman, for the opportunity to be here today. It is always a pleasure and our association really appreciates the special opportunity to comment.

I would like to offer up my statement as a matter of record, if you will, and I will give you a very brief statement. I think that you may have covered a lot of things that we wished to talk about here today except that I need to tell you several things.

Number one, the Administration proposal of the cutting of the \$70 million caught us by surprise, Mr. Chairman. We had no idea that this was coming. We had great regrets. We had fear, we had some of our individuals who were fearing for their job and the very rumors themselves have created a chaos.

As you well know, the budget cycles that take place in state governments are just as competitive as they are here. As you also know, 75 percent of all the agencies that carry forth the boating

safety mission in this country are also multi-mission and have competitive programs within each.

And I think you will find that people such as myself exist throughout the state have walked up and down the halls of Congress or rather the state legislatures and fought the giants that take boating safety from a minute program 10 years ago and bring it to the program and the success story that it has with it here today.

And I only want to pass forward that we bear plenty of scars as personal individuals, as professionals who went forward and took the Coast Guard's notion through memorandum of understandings, contracts, if you will, pledges that they would put us into the game, that this would simply not be another Federal appetizer wherein they would get the program off the ground and leave us.

The program has worked out tremendously. The boating law administrators through their educational and enforcement efforts are on record to show that we have one of the greatest success stories that the Federal and state governments as partners have to offer.

And I think if I could read one little thing, I would like to read something that was brought forth by Admiral Kime, the Commandant. This was in our last copy of the Boating Safety Dollars at Work.

The Commandant noted here when asked to assume an increasingly larger share of responsibility of recreational boating safety program activities, the state responded in an exemplary manner and increased their own recreational boating efforts considerably.

The financial assistance provided to the states from the boating safety account of the Aquatic Trust Fund has of course contributed significantly to the ability of the states to accept the additional responsibility.

This is truly an outstanding example of the ability of government at all levels to work together for the benefit of the public we serve and I am fully convinced that this cooperative effort has directly resulted in safer boating for millions of Americans.

From the previous year's accident statistics, however, it is obvious that we still have a great deal of work to do and the continued assistance of the states will be critical to those efforts.

And although we are obviously very please with the Commandant's remark and the support we have enjoyed from the Coast Guard over the years, we are sorry to say that we feel as though we have been put adrift, if you will, cast off the dock.

And I think that the merits of the program on a state's behalf will show that we have taken an exorbitant amount of role. There is one thing that I can do here today in front of this subcommittee is to instill into you that the program even though the states put forth \$4.00 for every dollar the Federal Government puts up, we will be forced to decrease boating safety programs in the state.

Do not be fooled by that. These programs, as I said before, are built on that foundation, that contract, if you will. If this contract is taken away from us, Mr. Chairman, as a former state legislator you realize when I walk into the state legislature and tell them that the Federal Government has abandoned the financial assistance offered to me and I ask facing a 17 percent reduction already in next year's budget that they catch up with me with discretionary

funds of which there are none left in state governments then they will tell me that I no longer do boating safety.

And that will happen in many of the states and if not in that totality some of the decreases that you will see, and I would like to just mention a couple of them. To tell you what some of the states said as I polled them and asked them what they would have to do if they were faced with this Administration proposal of the \$70 million cut.

Reducing and eliminating marine units on the Great Lakes, boating while intoxicated program campaigns would be curtailed or eliminated, up to 20 percent of the sworn officers would be laid off, a northwestern state would have to cut boating safety officers by 50 percent, and grants to local governments would be eliminated entirely.

Asked on the other side of the educational program, programs would be reduced by 75 to 80 percent including loss of staff, elimination of free public boating safety education programs, production of TV, radio and public service announcements would cease, all boating safety awareness programs would be discontinued, and two statewide educational programs for use in schools would be eliminated.

And one state said a devastating reduction. If not the complete elimination of our boating safety education program, then a reduction on the law enforcement side to take its place and of course this is pitting ourselves against ourselves.

This is the educational staffs of boating and also the enforcement staffs and the administration process of registration now being forced to look at this and compete amongst ourselves.

And I would simply ask, and I know I am preaching to the choir when I sit here and ask you to please help, but I ask you to hear our personal cries. And I know that we represent a scoring problem in the United States Coast Guard as has been told to us.

Unfortunately, today I have also heard of starting new programs with user fees. We are a user fee and if we are going to start new programs, let us protect those user fees that we already have on line. Let us protect those services that we have already promised to the boating public who are out there waiting, both the Federal and the state partnership and all the equipment, all the training, all the expertise that goes with that program showing us as partners.

Mr. Chairman, I thank you and I have nothing more to say. I think that you understand our problem and we appreciate your assistance in resolving it.

[Statement of Lieutenant Colonel Charles Clark may be found at end of hearing.]

Mr. TAUZIN. Colonel Clark, your statement is not only well received but well appreciated by this panel and we had private discussions with the Commandant as we had public discussions today with him regarding just the problem and while we want to cure the Commandant's concern about scoring, the notion that this is a user fee program and the states are entitled to these moneys is rather strong on this committee and one we are going to work with and see if we can't somehow accommodate.

Perhaps making it a permanent appropriation is the way to go but we are going to look at this and other alternatives to see if we can't correct this.

Mr. CLARK. Mr. Chairman, if I could tell you this. The dollar figure that is put forth now as represented is 4 to 1. If we would have an appropriate appropriation and a guarantee to the future, you would probably see that money move to 6, 8 to 10 to 1.

The only reservations we have in our state legislatures is that when is what we are talking about going to happen.

Mr. TAUZIN. Thank you. Next, we are going to hear from Commander Legg, Director of Naval Affairs, Reserve Association of the United States, Reserve Officers Association. Commander Legg.

STATEMENT OF COMMANDER WILLIAM E. LEGG, DIRECTOR, NAVAL AFFAIRS, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. LEGG. Mr. Chairman, thank you for the opportunity to appear today to talk about the Coast Guard budget for fiscal year '95. I also heard many of my issues discussed previously, and I appreciate the apparent support that this committee gives to our positions at this time and I certainly do appreciate all the support the committee has given in past years to issues that we stand abreast with.

The major thing that bothers us this year in the Coast Guard budget, or I guess there is really more than one thing, but it is the fact that, once again the Coast Guard is very modestly funded overall and, as you made a point in your opening statement, it has been hit very hard with that \$100 million cut in AC&I.

My formal statement addresses that in a little detail. We share your that concern and we hope that it can be resolved with the Senate. We will bring the message to the Senate so that hopefully when the compromise is reached, we find another solution.

We cannot continue to underfund the replacement of the infrastructure and the equipment for the Coast Guard. It needs to be a more modern force so it can be more efficient and effective in what it does.

Our other major concern, the one that I am more conversant with, is obviously the Coast Guard Reserve. And we feel very strongly that it is one area that the President's budget should not be supported. We stand strong for restoration back to at least the '94 level of 8000 people.

We are hopeful that we can convince the Armed Services Committee to authorize that number and also to direct the Coast Guard to do the study. I was a little surprised today to hear details of a study that I have been trying to get out of the Coast Guard now for two years. But I was very pleased to hear the Commandant speak very frankly with the committee and tell them that he supported the 8000 figure, that is what he needs, but he is being squeezed by the dollar.

So we will then also work with you and hopefully can convince the Transportation Appropriations Committee to restore the approximate \$5 million that is needed to fund that level. But I would then also ask the Congress, one of the committees at least, to lean a little harder on the Coast Guard for a study that can be used to

convince everyone that has cognizance over the Reserve of its real needs.

We did have a study, as you know, several years ago that called for 27,000 people. That was a Cold War requirement. We don't expect to see that requirement again. We do know we have a whole different set of circumstances now and, because of the way the Coast Guard and its Reserve is structured, there are many opportunities where reservists could assist the Coast Guard in its day-to-day operations.

We don't think that can has been fully opened. Mr. Stupak mentioned one possibility today. I can't endorse that proposal without more detail, but that is the kind of thinking that we think needs to be done to look at ways the Coast Guard Reserve can assist in a routine basis.

We have put together a white paper on this subject. I will show you this one and I will pass some copies to the staff. We are going to send copies of this paper when we get them back from the printer, to every Member of Congress to raise their awareness and to seek support for our dual-edged proposal to maintain 8000 people through '95 and to direct a credible study of what the Coast Guard Reserve should be doing to assist the Coast Guard.

With that, I stand ready for any questions. Thank you.

[Statement of Commander William E. Legg may be found at end of hearing.]

Mr. TAUZIN. Thank you very much, Commander. We will hear finally from Ms. Jean Godwin, Vice President of the Government Relations, American Association of Port Authorities. Jean.

STATEMENT OF JEAN C. GODWIN, VICE PRESIDENT OF GOVERNMENT RELATIONS, AMERICAN ASSOCIATION OF PORT AUTHORITIES

Ms. GODWIN. Thank you, Mr. Chairman. I will keep my remarks short because you do have my written statement. I am here to comment on one particular aspect of the budget proposal which would be the transfer of funding responsibility for highway bridges causing navigation obstruction to the Federal Highway Administration rather than the Coast Guard.

Obviously, U.S. ports as well as U.S. trade have benefited from the Truman Hobbs program and we did have concerns when we first saw this proposal in the budget. Depending on how the legislation is crafted, and you made it clear in your questions that this would have to be done through legislation, not simply a budget issue, but depending on how it is crafted, the results could make it much more difficult to obtain funding for the authorization of highway bridges.

There is a huge backlog of unsafe bridges that the Highway Administration is trying to fund. Any bridges would be subject to FHWA spending caps which are already very tight and funding would be in control of an agency without a focus on or concern for navigation.

I don't have any problem with the Federal Highway Administration. They do a great job in what they do, but they are not focused on navigation needs. I included some statistics in my testimony

about the number of bridges that have already been rated as structurally deficit in this country.

That program is very much focused on fixing unsafe and inadequate bridges. I would find it difficult to believe, unless the legislation makes clear in some way that there is going to be an amount carved out that the Coast Guard has some control over, that the Highway Administration is going to be using money that they now see as their funds on bridges causing navigation obstructions.

We raise some questions in our testimony I think we would like to have considered and answered as the legislation is being drafted. For example, once the Coast Guard has decided there is an obstruction, where is the decisionmaking point? Which agency is it? The Highway Administration or the Coast Guard? Which agency decides when the funding will come, how much it will be, etc.?

Again, once that determination that an obstruction exists is made, will there be any mechanism to insure that the funds will be transferred or is are these bridges just going to be one of many thousands, literally thousands, of priorities of that particular program?

And also just raising the question of the logic of separating highway versus rail bridges. I understand why it was done because the funding source for the Highway Administration is the Highway Trust Fund and the source of that is the gas tax. But logically if the issue is an obstruction to navigation, what is the point of separating out the two?

And a rail bridge may be easier to fund after this program is adopted than a highway bridge, that may not make any sense in terms of navigation needs. So we would like to work with the committee and with the Administration as the legislation is developed to see if we can resolve some of these concerns and come back to you at that time and maybe with some more specific answers on these questions. Thank you, sir.

[Statement of Jean C. Godwin may be found at end of hearing.]

Mr. TAUZIN. Thanks, Ms. Godwin. In fact, you raised the very questions we were raising and are anxious to see in the legislation. Our concern is exactly that. If the money resides somewhere else, is that somewhere else going to appreciate very much another authority telling them they got to spend it and that they got to spend it under a certain priority.

Is the legislation going to say, for example, that bridges with navigational problems are going to receive priority funding in the Highway Trust Fund?

That might be great if we can get that but I wonder whether the—

Ms. GODWIN. I would be surprised.

Mr. TAUZIN. I would be very surprised too if the Highway Administration or the appropriators for transportation would appreciate the fact that the Coast Guard is making the decisions about which bridges are going to get replaced in the country on a priority system they develop.

You raise another question which is literally one I have asked too and that is, is this just going to put a couple more obstacles in the way of getting these projects underway rather than expedite them because we are talking about issues that involve not just one, but

dual modes of transportation where safety is a concern and maybe delaying attention on those issues is the worse thing to do. If that is the result of this, we are going to have to worry about it.

So your concerns are the same ones we share and we are going to be very careful in reviewing the authorizing legislation. We are anxious to see what they are proposing and we will know a lot better then whether your concerns and ours are valid or whether we are worried about the sky falling. We will have to find out as we go a little further along, I guess.

Commander, I wanted to commiserate with you a second and I agree with all the members of this panel who question the extraordinary deep cuts in the Reserve of the Coast Guard and particularly Howard Coble has done some good work in isolating the percentages of the other services and as they respect the Coast Guard.

And the answer seems to be that the defense readiness function of the Coast Guard operates as a smaller portion of the Coast Guard day-to-day function than does the other military branches of our forces.

And if we don't establish some peacetime mission for the reservists, we are going to be caught in that argument constantly.

Mr. LEGG. Yes, sir, that is exactly right. I think even today, though, the Coast Guard Reserve spends much more of their training time in direct support of their active component than any other Reserve force does.

And I think that their structure makes them a perfect vehicle to expand that support even more. I think that is the fertile area. A lot of the efficiency increases in our society over the last three or four years have been attributed to more use of part-time or less than full-time people and to get the efficiencies that way instead of hiring more full-time personnel.

We see that analysis throughout industrial research in this country. Why is that not a good lesson to be learned in this case?

Mr. TAUZIN. Particularly when the Coast Guard is downsizing, to some extent streamlining its own active components.

Mr. LEGG. Yes, sir.

Mr. TAUZIN. It is an interesting and I think rather sound argument we ought to pursue together and we will be interested in reviewing not only your materials but reviewing your efforts at the Armed Services Committee.

The staff pointed out to me that last year the committee authorized 10,000 members to the Reserve and so there seems to be some at least support for adequate authorization levels there but we will work with you to see if we can't pursue both of those common goals of getting an adequate authorization level and pursuing the concept of more peacetime duties for the Reserve not only to justify its existence which shouldn't be the goal but rather to utilize its services and to perhaps aid the Coast Guard in dealing with necessary budget and streamlining requirements this year and in future years.

Thanks again for your comments and for your thoughts. They have been awfully good. And, again, Colonel Clark, we will be looking for that magic formula that saves the program and at the same time solves the Coast Guard's legitimate complaint that it is singled out for this kind of treatment in the scoring process.

It does impinge upon the Coast Guard's ability to do everything else it does, reservists and bridge and navigational safety requirements, when we are being scored for something we ought not be scored for so solving that riddle is something this committee is committed to assist the Commandant in doing.

Any advice as a counsel you can give us as we go through that process will be deeply appreciated. And, again, Ms. Godwin, thanks. At some future date when that legislation is offered, I suspect we will have some kind of joint referral of it and we will have a chance at this subcommittee level to review your concerns and our concerns and see whether they are being properly addressed but we share those very important concerns with you right now.

I wish I could yield to someone else but there is no one else here. So we will thank you for your contributions, your testimony, and the hearing stands adjourned.

[Whereupon, at 4:30 p.m., the Subcommittee was adjourned; and the following was submitted for the record:]

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U.S. House of Representatives Committee on

Merchant Marine and Fisheries

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March 14, 1994

BACKGROUND MEMORANDUM

TO: MEMBERS, SUBCOMMITTEE ON COAST GUARD AND NAVIGATION
FROM: SUBCOMMITTEE STAFF
RE: COAST GUARD BUDGET

At 2:00 p.m. on Tuesday March 15, 1994, in room 1334 Longworth House Office Building, the Subcommittee on Coast Guard and Navigation will hold a hearing on the United States Coast Guard Fiscal Year 1995 budget request.

Appearing on the first witness panel will be Admiral J. William Kime, Commandant, United States Coast Guard, followed by Master Chief Petty Officer R. Jay Lloyd, Master Chief Petty Officer of the Coast Guard. Appearing on the second panel will be Lieutenant Colonel Charlie Clark, President, National Association of State Boating Law Administrators, Commander William E. Legg, USNR, (Ret.) Reserve Officers Association and Ms. Jean C. Godwin, Vice President of Government Relations, American Association of Port Authorities

The Administration's Request

The Administration requests \$3.81 billion for Fiscal Year (FY) 1995 to fund Coast Guard operations and programs. The FY 1995 budget request is \$133 million more than the amount appropriated in FY 1994, but \$200,000 less than the Administration requested last year.

A copy of the Coast Guard's Budget in Brief, which provides an overview of appropriations, programs, and general Coast Guard information is included in this packet.

Also included in this packet is a table comparing the FY 1995 budget request to past funding levels.

OPERATING EXPENSES

The budget request for the Operating Expenses (OE) account in FY 1995 is \$2.631 billion, which accounts for 69% of the total budget request.

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The following table shows how the FY 1995 OE account is allocated between missions compared to FY 1989.

	<u>% of OE in</u> <u>FY 89</u>	<u>% of OE in</u> <u>FY 95</u>	<u>+/-</u> <u>89/95</u>
Drug Interdiction.....	23.9%	9.5%	-14.4%
Search and Rescue.....	15.1%	15.2%	+1.0%
Aids to Navigation.....	24.2%	21.3%	-2.9%
Defense Readiness.....	4.4%	3.3%	-1.1%
Marine Environmental Protection.	8.3%	9.4%	+1.1%
Other Law enforcement **.....	7.4%**	3.1%	+4.3%
Marine Transportation Safety....	9.4%	11.6%	+2.2%
Fisheries Law Enforcement.....	7.3%	15.0%	+7.7%
Migrant Interdiction.....		11.6%	

** includes Haitian immigration operations

Reductions

The Coast Guard has identified \$42.6 million in program reductions for FY 1995. The Coast Guard plans to cut 545 military Full-Time Equivalent positions (FTE) and 77 civilian FTE's. The following are descriptions of particular program reductions.

A proposed consolidation of vessel documentation offices is projected to save \$192,000 in FY 1995 and \$1 million annually in later years. The proposal will consolidate fourteen regional documentation offices at one location. The Coast Guard currently operates fourteen vessel documentation offices in the following cities: Boston, Cleveland, Hampton Roads, Miami, New York, Houston, Juneau, Los Angeles, New Orleans, Philadelphia, San Francisco, Seattle, and St. Louis. The proposed location of the consolidated office has not been determined.

The Coast Guard proposes to reduce its cutter fleet by five patrol boats, one Seagoing Buoy Tender WLB, three 65' harbor tugs, and two medium endurance cutters. The decommissionings will save \$1.4 million in FY 1995. (a list of the affected home ports is attached)

A proposed reduction and realignment of aircraft is projected to save \$228,000 in FY 1995. The initiative removes nine HU-25 Falcon jets from service, and will relocate numerous HH-65 Dolphin helicopters and HH-60J Jayhawk helicopters. No air stations will be closed, however Air Station Chicago will be down graded to an Air Facility. (a list of the affected air stations is attached)

A proposed consolidation of Marine Safety Office Houston and Marine Safety Office Galveston is projected to save \$480,000 in FY 1995.

An initiative to close 14 small boat stations is projected to save \$691,000 in FY 1995. The Subcommittee has not been provided with a specific list of small boat stations scheduled for closure. The Subcommittee hopes to have the closure list and an explanation of the Coast Guard's methodology for evaluating unit closures prior to the hearing.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

The Coast Guard requests \$439 million to build and improve its vessels, aircraft, and shore facilities. Of the total AC&I budget, \$214 million is requested for vessels, \$14.9 million for aircraft, \$61.5 million for other equipment, \$103.6 million for shore facilities improvements and \$45 million for personnel and related costs.

The Coast Guard requests \$31 million to fund the production of twenty 47-foot Motor Life Boats (MLB). Since 1988, Textron Marine Inc. has delivered six preproduction 47-foot MLB's which have been undergoing extensive seatrials at Coast Guard small boat stations.

The Coast Guard requests \$34.5 million to construct two Seagoing Buoy Tenders (WLB). In addition, \$56 million is requested to construct three Coastal Buoy Tenders (WLM). Marinette Marine Corporation of Wisconsin received the contract for both buoy tender replacement programs.

The Coast Guard requests \$10 million to construct the lead ship for the fleet of coastal patrol boats intended to replace the 82-foot Point Class patrol boats (WPB).

The Coast Guard requests \$6 million to fund modifications to convert two U.S. Navy STALWART class ocean surveillance ships for Coast Guard service. The vessels were transferred to the Coast Guard at no cost and will be modified for migrant interdiction operations.

The Coast Guard requests \$32 million to continue the acquisition of Vessel Traffic Service (VTS) systems in the ports of New Orleans, Los Angeles, Port Arthur, Mobile, and Corpus Christi. Funding will also initiate preliminary site surveys in the ports of Houston/Galveston and Seattle. The Port Needs Study cited these ports as having the greatest risk of environmental damage resulting from collisions or groundings. In addition, the Coast Guard requests \$4.4 million to upgrade existing VTS systems in New York, Puget Sound, and San Francisco.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

For Environmental Compliance and Restoration (EC&R), \$25 million is requested, an increase of \$1.1 million over the enacted FY 1993 level. The EC&R account funds projects to correct environmental damage at Coast Guard facilities. Cleanup operations are underway in the following areas: Kodiak, Alaska; Traverse City, Michigan; Elizabeth City, North Carolina; Cape Cod, Massachusetts; Oahu, Hawaii; and Brooklyn, New York. The Coast Guard is also requesting funding through the EC&R account for various agency-wide environmental compliance programs including \$3 million for Aids to Navigation (ATON) battery cleanup.

ALTERATION OF BRIDGES

The Coast Guard requests no appropriation for the alteration of bridges. The FY 1995 budget request proposes to fund the repair of highway bridges which are deemed to be hazards to navigation through the Federal Highway Administration's (FHA) Discretionary Bridge Program, rather than the Coast Guard's Alteration Of Bridges Program. The Subcommittee notes that the FHA program only funds bridge surface repairs, and may not fund repairs which solely aid navigation (e.g., increasing vessel clearance or improving a fendering system). To address this problem, the Administration plans to submit proposed legislation which will allow the FHA to transfer funds to the Coast Guard to pay for navigation improvements. Some have expressed concern that this proposed change will make the bridge program more cumbersome and less efficient.

RESERVE TRAINING

The Coast Guard requests \$65 million for the Reserve Training program to fund a strength level of 7000 members. This request will result in the dismissal of approximately 1000 additional Selected Reservists. Last year, the Coast Guard's Report to Congress on the Sizing of the Selected Reserve justified a force of 8,000 reservists.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

For Research, Development, Test and Evaluation, (RDT&E) \$20.31 million is requested. The RDT&E account funds the development of techniques, methods, research, hardware, systems, and planning to improve productivity of existing Coast Guard missions.

RETIRED PAY, ANNUITIES AND MEDICAL CARE

For retired pay, annuities and medical care for military retired personnel and former Lighthouse Service members, their dependents and survivors, \$562.585 million is requested.

OIL SPILL LIABILITY TRUST FUND

\$75 million is available without further appropriation from the Oil Spill Liability Trust Fund pursuant to the Oil Pollution Act of 1990 to finance the cleanup and initial damage assessment of oil spills. Any unused funds will not carry-over to the next fiscal year. Instead they will be returned to the trust fund.

BOAT SAFETY ACCOUNT

The Coast Guard requests no appropriation for the State Boating Safety Grant Program in FY 1995, a reduction of \$32 million from the amount appropriated in FY 1994. A cut of this magnitude would decimate boating safety programs in every state. The main purpose of this program is to prevent recreational boating accidents by educating boaters and providing for increased law enforcement on state waterways. This program is funded by the federal gas tax paid by recreational boaters. Amounts that are not appropriated for boating safety are ultimately spent on sport fish restoration projects. Therefore, this cut will not result in any long-term savings for the federal government.

Contacts

Subcommittee majority: Elizabeth Megginson or Jim Adams
Committee majority: Lee Crockett (6-3500)
Subcommittee minority: Ed Lee (6-3492)
Committee minority: Rebbecca Dye (6-3552)

FY 95 COAST GUARD APPROPRIATIONS

	FY 94 Administration Request	FY 94 Appropriation	FY 94 Authorization	FY 95 Administration Request
Operating Expenses	2,609,747,000	2,570,000,000	2,612,552,200	2,630,505,000
Acquisition Construction and Improvements	414,000,000	327,500,000	417,996,500	439,200,000
Research and Development	25,000,000	22,500,000	25,000,000	20,310,000
Retired Pay	548,774,000	548,774,000	548,774,000	562,585,000
Alteration of Bridges	12,940,000	12,940,000	12,940,000	0
Environmental Compliance	23,057,000	22,600,000	23,057,000	25,000,000
Reserve Training	64,000,000	64,000,000	64,000,000	65,032,000
Boating Safety	32,250,000	32,250,000	35,000,000	0
Total	3,729,768,000	3,600,564,000	3,739,319,700	3,742,632,000

DIFFERENCE BETWEEN ADMINISTRATION REQUEST AND:

	FY 94 Administration Request	FY 94 Appropriation	FY 94 Authorization
Operating Expenses	+20,758,000	+60,505,000	+17,952,800
Acquisition Construction and Improvements	+25,200,000	+111,700,000	+21,203,500
Research and Development	-4,690,000	-2,190,000	-4,690,000
Retired Pay	+13,811,000	+13,811,000	+13,811,000
Alteration of Bridges	-12,940,000	-12,940,000	-12,940,000
Environmental Compliance	+1,943,000	+2,400,000	+1,943,000
Reserve Training	+1,032,000	+1,032,000	+1,032,000
Boating Safety	-32,250,000	-32,250,000	-35,000,000
Total	+12,864,000	+142,068,000	+3,312,300

REDUCTIONS

The following lists specify the locations of the proposed vessel decommissionings and aircraft allowance changes.

VesselsHome Port

82-foot WPB (Coastal Patrol Boat)	Fire Island, New York
82-foot WPB (Coastal Patrol Boat)	Fort Lauderdale, Florida
82-foot WPB (Coastal Patrol Boat)	San Diego, California
82-foot WPB (Coastal Patrol Boat)	Fort Bragg, California
82-foot WPB (Coastal Patrol Boat)	Morro Bay, California
180-foot WLB (Sea Going Buoy Tender)	Portsmouth, Virginia
65-foot WYTL (Harbor Tug)	Bristol, Rhode Island
65-foot WYTL (Harbor Tug)	Fort Belvoir, Virginia
65-foot WYTL (Harbor Tug)	Crisfield, Maryland
CGC CITRUS (Medium Endurance Cutter)	Coos Bay, Oregon
CGC ESCAPE (Medium Endurance Cutter)	Charleston, South Carolina

Air StationCurrent Aircraft
ComplementProposed Aircraft
Complement

Astoria, OR	(3) HH-65 (2) HU-25	(3) HH-60
Barbers Point, HI	(3) HH-65 (3) HC-130	(4) HH-65 (4) HC-130
Brooklyn, NY	(5) HH-65	(4) HH-65
Cape Cod, MA	(4) HH-60 (6) HU-25	(4) HH-60 (3) HU-25
Chicago, IL	(2) HH-65	
Kodiak, AK	(4) HH-65 (4) HH-60 (6) HC-130	(5) HH-65 (4) HH-60 (6) HC-130
Miami, FL	(9) HH-65 (10) HU-25 (2) RG-8	(9) HH-65 (6) HU-25 (2) RG-8 (1) VC-4A
Mobile, AL	(8) HH-65 (3) HH-60 (8) HU-25	(8) HH-65 (3) HH-60 (5) HU-25
San Diego, CA	(4) HH-65 (3) HU-25	(3) HH-60
San Francisco, CA	(3) HH-60	(4) HH-65
Savannah, GA	(6) HH-65	(5) HH-65
Traverse City, MI	(3) HH-60	(5) HH-65

U.S. Department
of Transportation
**United States
Coast Guard**



Commandant
U.S. Coast Guard

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Phone

DEPARTMENT OF TRANSPORTATION

U. S. COAST GUARD

STATEMENT OF

ADMIRAL J. WILLIAM KIME

ON THE FISCAL YEAR 1995 AUTHORIZATION

BEFORE THE

SUBCOMMITTEE ON COAST GUARD AND NAVIGATION

MERCHANT MARINE AND FISHERIES COMMITTEE

UNITED STATES HOUSE OF REPRESENTATIVES

MARCH 15, 1994



Admiral J. William Kime Commandant United States Coast Guard



Admiral J. William Kime became the 19th Commandant of the Coast Guard on 31 May, 1990. He was nominated to that position while serving as Commander of the Eleventh Coast Guard District in Long Beach, California.

During that time he also served as the commander of the Central California Sector of the U.S. Maritime Defense Zone, Pacific; and as Coordinator of the Pacific Region of the Office of National Drug Control Policy.

Admiral Kime graduated from Baltimore City College in 1951 and from the U.S. Coast Guard Academy in 1957. He received a Master of Science degree in naval architecture and marine engineering and the professional degree of Naval Engineer from the Massachusetts Institute of Technology in 1964.

Admiral Kime served in deck and engineering assignments in the CGC Casco before assuming command of Loran Station Wake Island in 1960. He served at Coast Guard Headquarters in Washington, D.C. in the Merchant Marine Technical and Engineering Divisions. While at Headquarters, he served as the principal U.S. negotiator at the International Maritime Organization (IMO) in London during the drafting of the IMO codes for Liquefied Gas Ships. Admiral Kime was in charge of the structural design of the Coast Guard's Polar class icebreakers. He also served as the first engineering officer in the CGC BOUTWELL stationed in Boston.



In 1977, Admiral Kime was a distinguished graduate of the Industrial College of the Armed Forces and was again assigned to Headquarters as Assistant Chief of the Merchant Marine Technical Division, and as both technical coordinator and as a member of the U.S. Delegation to the International Conference on Tanker Safety and Pollution Prevention in London. He assumed duty as Commanding Officer, Marine Safety Office Baltimore in 1978. He was assigned to Headquarters in 1981 as Deputy Chief of the Office of Marine Environment and Systems.

From 1982 through 1984 Admiral Kime was assigned as Chief of the Operations Division of the Seventh Coast Guard District in Miami, where he was in charge of day to day operations in the Coast Guard's drug interdiction effort in the Caribbean. He was promoted to flag rank in 1984. In 1986 Admiral Kime became Chief of the Office of Marine Safety, Security and Environmental Protection in Washington, D.C., a combination of two offices he had previously headed. His duties in this position included heading the U.S. Delegations to the IMO Marine Safety Committee and Marine Environmental Protection Committee.

Admiral Kime is a registered Professional Engineer, a member of Tau Beta Pi, Sigma Xi and ASNE. In October of 1992 Admiral Kime was elected to a two year term as president of the Society of Naval Architects and Marine Engineers (SNAME). He is the first Coast Guard officer to serve in this distinguished post. Admiral Kime is also a SNAME Fellow and is the 1990 recipient of the SNAME Vice Admiral "Jerry" Land Medal. His decorations include the Transportation Distinguished Service Medal, the Coast Guard Distinguished Service Medal, Defense Superior Service Medal, the Legion of Merit, five Meritorious Service Medals with "O" device, the Coast Guard Commendation Medal, the Coast Guard Achievement Medal, the Humanitarian Service Medal, three Commandant's Letter of Commendation Ribbons with "O" device, two Coast Guard Unit Commendation Ribbons with "O" device and the Coast Guard Meritorious Unit Commendation Ribbon.

Admiral Kime, a native of Greensboro, N.C., grew up in Baltimore, Md., and is married to the former Valerie Jean Hiddlestone of Pontardulais, South Wales, U.K.

DEPARTMENT OF TRANSPORTATION
U. S. COAST GUARD
STATEMENT OF
ADMIRAL J. WILLIAM KIME
ON THE FISCAL YEAR 1995 AUTHORIZATION
BEFORE THE
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION
COMMITTEE ON MERCHANT MARINE AND FISHERIES
UNITED STATES HOUSE OF REPRESENTATIVES
MARCH 15, 1994

Good morning, Mr. Chairman. It is a pleasure to appear before this distinguished Committee today to discuss the Coast Guard's fiscal year 1995 budget and its impact on the current and future state of the Service.

As you know, the President has initiated significant changes to address the Nation's needs. Both President Clinton and Secretary Peña have set aggressive agendas to "streamline" government, to reduce the Federal deficit, and to invest in transportation infrastructure to "Tie America Together." I strongly support these initiatives, and I am here today to explain how the Coast Guard's FY 1995 budget request furthers these goals.

I am very pleased with this budget. It is a responsible budget, given the very real problems facing the Nation. We worked hard to ensure that it is consistent with the Administration's priorities, and also with suggestions and direction provided by the Congress. Most importantly, it provides the resources we need to continue to deliver essential services to the public.

Our FY95 budget clearly supports the Administration's goals related to deficit reduction and investment...it includes reductions, which when fully annualized, total over \$100 million; and it provides for essential Coast Guard infrastructure investment. Many of the streamlining initiatives proposed make good business sense regardless of budget constraints.

However, developing this budget was not easy. We had to make some very difficult choices. For example, our request proposes several "streamlining" initiatives that would...

- o Reduce the Coast Guard work force by 1,013 military and 113 civilian positions, about 2.5% of our work force.

- o Decommission 11 of 195 multi-mission cutters.
- o Remove from active service 9 of 180 multi-mission aircraft.
- o Close 14 of 166 multi-mission boat stations/detachments.
- o Further reduce the ready reserve force from 8,000 to 7,000.
- o Eliminate Boating Safety grants to states.

However, these and other initiatives included in our budget were needed to meet Presidential and Congressional deficit reduction goals and specific spending caps.

I am acutely aware of our responsibilities to the public and did not make these decisions quickly or lightly. Early last summer, in response to direction from the Secretary, we took a comprehensive look at our organization. Consistent with the National Performance Review, we examined every Coast Guard program for opportunities to streamline or gain management efficiencies, while ensuring that we preserved the Coast Guard's core capabilities, characteristics, and attributes, which are essential to our ability to accomplish our core missions and provide essential services to the public.

During the development of our fiscal year 1995 resource adjustments, we employed specific criteria to ensure that we made the best budget decisions possible. Specifically, our reduction efforts sought to:

- o Reduce overhead and administrative costs.
- o Minimize organizational and management layers.
- o Examine opportunities to exploit existing and emerging technologies that could improve mission efficiency and productivity.
- o Reduce or eliminate older, maintenance intensive, and relatively low productivity assets, while preserving and replacing, where necessary, the infrastructure we need to do our jobs more efficiently.

Then, working very closely with the Department and the Office of Management and Budget, we carefully crafted a budget that meets FY95 spending targets, positions us to meet outyear spending targets, and provides the resources we need to continue to deliver essential services to the public.

Perhaps the most important feature of our FY95 budget is that it represents the first phase of a multi-year "streamlining" effort. We are a people intensive operating agency that delivers services directly to the public...about two-thirds of our budget goes to pay and provide for people. A no-growth budget environment necessarily requires that we find ways to deliver services using fewer people. It takes time to identify potential efficiencies, implement those that prove productive, and reduce the workforce. Therefore, it is important that our "streamlining" effort be a phased, multi-year effort that allows us to realize efficiencies over time, much like the Department of Defense (DOD) is doing. However, it is even more important for the Coast Guard because our missions are increasing, unlike DOD. Our budget request must be considered as the first installment in a multi-year plan to accomplish our "streamlining" goals without disrupting essential services to the public and being unfair to our people. In short, to gain the efficiencies we need to accomplish our missions with fewer people, we must have people with the right skills in the right jobs operating modern, efficient equipment. This budget seeks funds and legislation to help us do that. In this context, we are asking for personnel management "tools," including transition benefits, that will allow us to streamline our workforce fairly in selected specialties to match our operational streamlining initiatives. Attrition or across the board Reductions in Force (RIF) do not allow the needed flexibility; therefore, personnel management tools for the Coast Guard, similar to those in DOD's personnel management "toolbox," are one of my highest priorities.

Equally important to personnel management tools is an adequate investment portfolio. Secretary Peña has said that the Department's budget is about infrastructure

investment...that includes the Coast Guard. In each of my last three appearances before this committee, I stressed the need to adequately fund the Coast Guard's Acquisition, Construction, and Improvements (AC&I) Appropriation...the funds we use to buy new ships, aircraft, information systems and construct buildings. I am going to do it again. Given the reality of flat budgets and a shrinking work force, increased investment in state-of-the-market technology and the tools we use to do our jobs is absolutely necessary if we are to continue to deliver essential services to the public. Let me give one example. Our new Seagoing and Coastal buoy tenders will replace inefficient, 50 year old ships with ships that have state-of-the-market technology. This will permit us to replace the combined fleet of 37 ships with not more than 30, and the new ships will have smaller crews. Deployment of these new buoy tenders will save about \$25 million annually... we will need fewer people and fewer dollars to deliver improved services...this is what "streamlining" is all about...it makes good business sense.

This year's \$439 million AC&I request is a significant increase over last year's appropriation, but this is very misleading as last year's \$327.5 million appropriation was the lowest in recent memory. For comparison, I note that our AC&I appropriation totaled \$444 million as recently as FY90. I ask for your support in turning the downward sloping AC&I trend around...the vitality of the Coast Guard over the next 15 years depends on it.

Our FY95 request for our Operating Expenses (OE) Appropriation reflects rigorous "streamlining" initiatives. We are asking for a modest \$39 million (1.5%) increase in this appropriation; however, this is misleading as enhancements total only \$2.2 million, and most of these funds are for Hazardous Materials Management training needed to improve Coast Guard compliance with environmental waste regulations. Two of the remaining four line items are actually investments that will result in recurring savings. One, the Far East Activities Initiative, produces savings next year, and the other actually provides a net savings in operating expenses this year. This initiative will replace two 50 year old Medium Endurance Cutters with two newer, Stalwart Class ships we

obtained essentially free from the Navy (there is a one time \$6 million AC&I conversion cost). These ships are more efficient and can be operated with smaller crews.

Virtually all of the requested net increase is needed to accommodate \$70 million of non-discretionary increases, such as pay raises and cost of living adjustments, plus \$9.4 million to operate new equipment and maintain new buildings put into service last year. To offset these costs we have identified \$42 million in reductions, which as I noted earlier will total over \$100 million when fully annualized. The need to phase these reduction initiatives over time, like DOD, is why the full savings won't be realized in FY95.

Consistent with fiscal year 1994 Congressional direction, we have requested no funding for highway bridges in fiscal year 1995 for the ALTERATION OF BRIDGES Appropriation. As you know, this appropriation was established to provide federal funds to pay a share of the cost to alter or remove bridges determined to be unreasonably obstructive to navigation on the navigable waters of the United States. The Coast Guard will continue to exercise all regulatory, permitting, and bridge alteration responsibilities on domestic waterways to ensure safe navigation. However, our fiscal year 1995 request proposes changing the funding mechanism for the Federal share for highway bridges only. Funds for alterations to highway bridges will now be derived from the Discretionary Bridge Program of the Federal Highway Administration. Railroad bridges will continue to be funded through this appropriation, as needed. I've requested no funds for this Appropriation for FY95 as there are no railroad projects that need FY95 funds.

For fiscal year 1995, we are proposing a change in the BOAT SAFETY Appropriation. This appropriation was established to provide financial assistance for states' recreational boating safety programs in order to encourage greater state participation and uniformity in boating safety efforts. Our request proposes to eliminate discretionary Federal funding for state boating safety grant programs. However, all

Coast Guard Boat Safety program activities will continue at current service levels except the recreational boat factory inspections. Funds which have, in the past, been deposited in the discretionary Boat Safety Account will rollover to the mandatory Sport Fish Restoration Account and be allocated to the states under the rules that govern it. I believe that this proposal will have minimal impact on boating safety. The purpose for which the Boating Safety Account was established has been essentially achieved and can now be carried on almost totally by the states. Federal funding levels can be reduced without negative impact on recreational boating safety. Boating fatalities per 100,000 boats have been reduced from 20.2 in 1971 to 4.0 in 1992. In addition, the states now collectively spend over four times the amount of funding provided by the Federal Government, and states will continue to receive some mandatory Federal funds (\$7.5 million in fiscal year 1995, \$10.0 million in fiscal years 1996 and 1997, and \$20.0 million in fiscal year 1998). The Coast Guard Auxiliary will continue to conduct courtesy inspections of recreational boats and offer boating safety courses. And of course, the Coast Guard's network of coastal multi-mission stations, aircraft, and cutters stand always ready to assist the recreational boater in time of need.

Our fiscal year 1995 request for the COAST GUARD RESERVE--an essential element of our ability to respond to national emergencies--includes funds for a Selected Reserve size of 7,000. This is a reduction from our fiscal year 1994 level of 8,000. In November of 1993, I forwarded to you a copy of a Selected Reserve sizing study we conducted. That study concluded that a Selected Reserve size of 8,000 was required to respond to multiple, concurrent defense and non-defense related contingencies. Reducing the Selected Reserve to 7,000 will reduce our capacity to respond to multiple, concurrent contingencies. However, essential support for mobilization requirements in strategic outload ports and direct defense support requirements would be maintained at a level consistent with DOD planning and mobilization requirements. Included in this request is \$3.7 million for Reserve Transition Benefits.

I also said that this budget is about providing essential services to the public...it is. Amidst all the changes, the Coast Guard remains focused on its four fundamental mission areas: Maritime Safety, which includes Waterways Management; Marine Environmental Protection (MEP); Maritime Law Enforcement (MLE); and National Security. To effectively carry out our missions, we operate and maintain multi-mission aircraft, vessels, and shore facilities. It is the multi-mission capabilities of our assets and people that make the Coast Guard cost effective and responsive to the Nation's needs. I would like to highlight some of our recent accomplishments in our four primary operating mission areas and discuss where I see the Coast Guard headed in each of these four areas in fiscal year 1995.

Our MARITIME SAFETY mission is part of our rich humanitarian heritage, and has helped us build our reputation as the world's expert in maritime Search and Rescue (SAR). However, it has been our efforts in Aids to Navigation (ATON), Commercial Vessel Safety, Icebreaking, Vessel Traffic Services, and deployment of a Differential Global Positioning System that have served to facilitate the efficient flow of commerce and save lives by preventing marine accidents and increasing the efficiency of waterway and port operations.

The development and maintenance of a safe and efficient maritime transportation infrastructure is essential to the Nation's economy, and will be a key to our ability to successfully compete in the expanding global economy. For example, approximately 38 percent of the value of all U.S. exports were transported on ships in 1992. Coast Guard maintained systems...aids to navigation, ice-breaking, and vessel traffic control systems...help ensure safe and expeditious movement of vessels within the transportation network.

The Coast Guard has long been assigned a vital role in developing and maintaining the Nation's maritime infrastructure. In 1993, the Coast Guard continued to emphasize accident prevention and facilitate the efficient flow of commerce by maintaining the

world's finest Aids to Navigation system, expanding Vessel Traffic Services, breaking ice that blocked commerce on vital waterways, and conducting aggressive safety inspections of recreational and commercial vessels.

We are proud of our success in helping prevent maritime accidents, but we remain ready to respond whenever and wherever disaster strikes. We continue to save lives and property at sea and on our large lakes and rivers...every day. In FY 1993, Coast Guard crews conducted over 69,000 search and rescue cases, saved more than 5,300 lives, assisted 117,000 other individuals, and saved property valued at over \$900 million. Arguably, the Search and Rescue program alone provided more benefit to the Nation than the cost of all Coast Guard services combined.

Continuing our tradition of responding to national maritime disasters, the Coast Guard played a key role in Midwest Flood relief efforts. Over 1,000 Coast Guard active duty and reserve men and women, including over 200 Coast Guard Auxiliaries, helped minimize the impact of the floods. Despite severe damage to operating facilities at Base St. Louis, MO and Group Upper Mississippi River, 26 Coast Guard units conducted 3,000 waterborne sorties and Coast Guard aircraft flew over 500 sorties. These combined efforts rescued or assisted more than 2,900 people.

MARINE ENVIRONMENTAL PROTECTION continues to be a highly visible mission because of national concerns about all forms of pollution. We have continued aggressive implementation of the Oil Pollution Act of 1990 (OPA 90) to prevent, prepare for, and respond to oil pollution incidents. Prepositioned oil spill cleanup equipment delivery continues with equipment already in place at 12 of 19 sites. We have received nearly 1,700 response plans covering 6,000 vessels. All of these plans have undergone preliminary review, and we have given qualifying vessels interim authorization to operate pending detailed reviews of their plans, which we hope to complete by the end of the year.

Area Contingency Plans detailing Federal, state, and local government response concerns and capabilities have been completed for all coastal areas. The Coast Guard

orchestrated the development of the National Preparedness for Response Exercise Program (PREP) in concert with other federal agencies, the states, industry and concerned citizens, to allow for ongoing testing of these response plans. Also, recognizing that even the best locally based plans may be overwhelmed by a truly catastrophic spill, we developed the multi-agency National Incident Task Force, to bring all national resources to bear in support of the local efforts.

The recent grounding of an oil barge that spilled 750,000 gallons of heavy fuel oil onto Puerto Rico's beaches is a reminder of the continuing threat of environmental damage from marine transportation. Damage was **MINIMIZED** by advance planning, availability of prepositioned clean-up equipment, and interagency cooperation. OPA 90's emphasis on preparedness paid off. Another accident off the coast of Puerto Rico demonstrated the progress we have made in **PREVENTING** spills. In December 1993, a barge carrying 600,000 gallons of corn and soy oil went aground on the north shore of Puerto Rico. Fortunately, the barge had double hull construction and only one of the six barge compartments was breached. Almost all of the oil that leaked from the damaged compartment was contained within the double hull. The barge owner's pre-identified cleanup contractors promptly responded and helped to minimize the threat of environmental damage. Five days after the grounding, the barge was refloated with an estimated loss of only 10 gallons of oil. These incidents clearly illustrate the success of OPA 90 provisions.

We have also heightened our enforcement of MARPOL provisions. For example, last April, Princess Cruise Lines was fined \$500,000 for dumping plastic trash in the Caribbean Sea.

We have worked hard to improve our relationships with both industry and the environmental community. Last year, I published and implemented the Coast Guard Environmental Policy Statement, which emphasizes partnerships with Federal, state and local agencies, as well as environmental interest groups and private industry to

ensure long-term environmental quality. In keeping with the focus of this statement, last year I hosted the first summit between the Coast Guard and leaders of national and international environmental organizations. This summit greatly improved communications between the Coast Guard and members of the environmental community and will help us leverage each others' skills to accomplish environmental goals. Internationally, we continue to lead the establishment of a worldwide response network through the International Maritime Organization (IMO) and the International Convention on Oil Pollution Preparedness, Response and Cooperation.

Coast Guard MARITIME LAW ENFORCEMENT has been an integral part of our service since 1790 and will remain an important mission in the future. Consistent with the President's new drug control strategy and Congressional direction in our fiscal year 1994 appropriation, the reduction in narrow, single-mission Coast Guard resources committed solely to drug interdiction efforts, which actually began several years ago, will continue in fiscal year 1995.

As you know, we recently decommissioned four cutters, layed up five aircraft, and implemented other staff reductions in response to a fiscal year 1994 Congressional direction to reduce drug law enforcement operations and a \$9 million reduction in our Operating Expenses Appropriation. Actions planned in conjunction with our fiscal year 1995 budget request eliminate nearly all remaining Coast Guard single-mission dedicated drug law enforcement assets, primarily air interdiction assets. This is not to say that we will not continue to aggressively conduct drug interdiction activities with remaining multi-mission assets...we will. My recent appointment as the U.S. Interdiction Coordinator serves to underscore our continuing commitment to this mission.

We continue to dedicate significant resources to OPERATIONS ABLE MANNER and SUPPORT DEMOCRACY--the Haitian Migrant Interdiction Operation and the United Nations embargo against Haiti. Our continuous presence off the Haitian Coast

resulted in the safe interdiction of over 4,200 Haitians. Also this past year, we interdicted over 2,500 illegal migrants from the Peoples Republic of China and 2,800 Cuban refugees. Unfortunately, this demonstrates that conditions in other parts of the world have the potential to foster future mass migrations. I anticipate that the illegal migrant interdiction mission will continue to require substantial Coast Guard assets.

The enforcement of laws governing fisheries remains an integral part of our law enforcement program. Our efforts in this area are another investment in our Nation's future. Coast Guard fisheries enforcement operations are designed to protect U.S. stocks from foreign poaching and to promote compliance with domestic fishing regulations. Strong enforcement of fisheries regulations is crucial to ensuring the continued viability of the fishing industry, both commercial and recreational. This is important, as the fishing industry contributes over \$50 billion each year to our economy. More importantly, the Department of Commerce estimates the recovery of overfished stocks will produce an additional \$2.9 billion in revenue to U.S. fishermen with a total impact on the Gross Domestic Product of up to \$25 billion, and create over 200,000 new jobs in the seafood and related industries.

I chartered the Fisheries Enforcement Study in 1992 to improve our effectiveness in fisheries enforcement and our relations with the fishing industry. Last year, I approved the Fisheries Study and an associated implementation plan. This plan includes: improving interagency cooperation and coordination, including improved intelligence gathering and sharing with other Federal and state agencies; establishing five regional fisheries law enforcement training centers and improving the training and expertise of our fisheries enforcement people; increasing participation on the regional fisheries management councils to improve the enforceability of fisheries regulations. The cornerstone of our implementation plan is our resolve to improve our relations with the fishing industry. The use of dockside boardings to check for routine safety items, better training of our enforcement personnel, and increased dialog through the councils

will allow us to provide better services, make our present fisheries enforcement efforts more efficient, and minimize their impact on the operations of legitimate, hard-working fishermen.

The Coast Guard continues to play a significant NATIONAL SECURITY role. We have been involved in every major American conflict since 1790. During this past year, we established two new units--Coast Guard Squadrons 42 and 44, based in Portsmouth, Virginia. These squadrons consist of six officers each and deploy on U.S. Navy ships in the Red Sea to coordinate the Multi-National Maritime Interception Operations to enforce United Nations sanctions against Iraq. Also, Coast Guard personnel have trained Romanian and Bulgarian officials to enforce sanctions against Serbia on the Danube River.

About three years ago, I testified before this Committee on the Coast Guard's fiscal year 1992 budget request--my first opportunity to do so as Commandant. I outlined three basic themes for the Coast Guard; adequate support for our PEOPLE, BALANCE among our many missions, and the constant pursuit of EXCELLENCE through continuous improvement. Regarding PEOPLE, I testified that I was concerned about my ability to recruit and retain qualified people, and that I needed to improve housing, health care, family services and general personnel support. I testified that BALANCE between our four traditional mission areas--maritime safety, environmental protection, law enforcement, and national security would continue to be a core element of our business plan. And finally, I testified that we would continuously seek EXCELLENCE in all we do.

As I appear before you today to present my last budget request, I am pleased to report that with your help we have succeeded in each of these areas. Our people programs, which I refer to collectively as "Work-Life," have been extremely successful. First term retention rates are at an all time high, I believe in large part because of our demonstrated concern for our people and their families. Coast Guard operations are

now strategically BALANCED, and this has allowed us to enhance our multi-mission nature and give the taxpayers the very best possible return on every tax dollar invested. We have built on the Coast Guard's well deserved reputation for EXCELLENCE and have institutionalized principles of Total Quality Management that will facilitate continuous improvement in everything the Coast Guard does. I am also proud to report that Coast Guard men and women now more reflect the diverse society, which we serve, and we will continue to improve in this area.

As I prepare to turn the helm over to Admiral Kramek, I am extremely proud of the accomplishments of the Coast Guard over the past four years. Regarding the Coast Guard's future, I am most concerned about the state of our capital plant, and our inability to recapitalize our assets at adequate levels. Our ability to deliver essential services to the public in the future is dependent on an adequate level of capital investment today. However, our enacted AC&I levels have not only been well below this level, but since 1990, they have decreased each year. In light of this, I hope you'll agree that our FY95 AC&I request for \$439 million is very reasonable in these difficult budgetary times. Equally important to my capital investment concerns are overall operating funding levels. As I said, we can continue essential services at the FY95 request level. However, as downward budgetary pressures continue in FY96 and beyond, I ask that you try and hold the line against further operating cuts that would clearly result in reduced services that the public has come to depend upon and expect from the Coast Guard. I ask that you work with the next Commandant, as you have with me, to ensure the Coast Guard remains capable to perform its many missions for years to come.

In closing, I would like to thank you and the other members of this distinguished Committee for the support and guidance they have given me over the past few years. I ask for your help by passing the Coast Guard's fiscal year 1995 budget as a package and continuing to compensate Coast Guard personnel in parity with DOD personnel. I share your deep concern in keeping the Coast Guard Semper Paratus.

I would be happy to answer any questions you may have.



**NATIONAL ASSOCIATION OF STATE
BOATING LAW ADMINISTRATORS**

Please reply to:

Statement of the

NATIONAL ASSOCIATION OF
STATE BOATING LAW ADMINISTRATORS

before the

COAST GUARD AND NAVIGATION
SUBCOMMITTEE
U.S. HOUSE OF REPRESENTATIVES

RE: PLIGHT OF THE BOATING SAFETY TRUST FUND FOR FY '95

Presented by

LT COL. CHARLES CLARK
BOATING LAW ADMINISTRATOR
LOUISIANA

PRESIDENT, NATIONAL ASSOCIATION OF
STATE BOATING LAW ADMINISTRATORS

Mr. Chairman and Members of the Subcommittee:

I am Lieutenant Colonel Charles Clark, Boating Law Administrator for the State of Louisiana and I serve as President of the National Association of State Boating Law Administrators.

The National Association of State Boating Law Administrators is a professional association consisting of State, Commonwealth and Provincial officials having responsibility for administering state boating laws and managing a diversity of programs to insure safe boating on the waterways of our individual states.

Our Association is pleased to appear before your subcommittee to comment on the plight of the Boating Safety Trust Fund for FY 1995 should the federal boat safety funds be terminated as proposed by the Administration.

First, Mr. Chairman let me reiterate our recognition that we are indeed speaking to the choir. We are very proud of that fact and want you to know that our membership recognizes and very much appreciates the support of you and this subcommittee in your vigilance to improve boating safety on our nation's waterways. You are to be commended for this support to the boating community.

I think there is an accepted opinion throughout the boating community that there is a proven need for an evolving, capable and comprehensive federal-state boating safety

partnership. This is brought about by the fact that the waters we operate on are generally joint-jurisdictional. The need for a close working relationship between our Association and the Coast Guard is obvious, and I am happy to say that, in my opinion, we compliment each other in our boating safety efforts.

Consider the states' and the Coast Guard's inventory of watercraft, planes, helicopters and communication facilities all operated by highly trained men and women using the latest search and rescue procedures. We are indeed an inseparable team that very much need each other in our boating safety efforts.

I have attached to my testimony for the subcommittee's perusal, the state boating safety grant program in a "Question and Answers" format, a comprehensive listing of the use of the trust funds and a listing of some of the more recent innovative federally funded projects that the states have accomplished.

With all of this being a matter of record, the obvious question would be "Why has our partner the Coast Guard set us adrift?" We have heard that our funds affect their budget scoring. If this is true, then why has the Coast Guard not worked with us, the Administration and the Congress to find a solution to this funding dilemma as they see it? After all, the states do operate within the user fee concept -- i.e. user-pays, user-benefits -- where revenues are derived from tax dollars boaters pay on gasoline used in motorboats. The Coast Guard operates mostly on general tax revenue. Is it that difficult to raise the upper limits on the Coast Guard's budget to accommodate our trust

funds or to find another mechanism to funnel these trust funds to the states? After all these are user-fees, not general funds.

The cloud of gloom that hangs over our boating safety program is already affecting the morale of our personnel with many fearing the loss of their jobs, the knowledge that programs and services will in many cases be curtailed or eliminated, and the wrath that will be directed to our personnel from a boating public that may not understand who caused the reduced services that have been paid for through their user fees. This is very deflating to our dedicated professionals who have worked so hard to make the state-federal boat safety partnership one for other agencies to emulate.

Most states have indicated that there would be significant cutbacks in enforcement, and I expect that actual layoffs of officers will occur in many states. This means a drop in on-water patrols, search & rescue, emergency response, replacement of equipment, and most importantly a reduction in enforcement of recently-enacted operating under the influence laws.

I would like to point out a few specific negative effects in boating enforcement and education that would result from the proposed cutbacks in federal funding. When asked what they would have to cut, Boating Law Administrators across the country listed the examples below as typical of the kinds of enforcement-related actions they would be forced to take given the proposed cuts. These specific state actions include:

- Cutting as many as 66 law enforcement positions;
- Reducing or eliminating marine units on the Great Lakes;
- BWI enforcement campaigns would be curtailed or eliminated, allowing opportunities for potentially deadly, yet avoidable accidents to increase;
- Up to 20 percent of the sworn officers would be laid-off;
- Reducing by 50-60 percent patrols on the water;
- Ability to respond to search and rescue cases would be severely restricted;
- Reducing workforce by 28 percent;
- Cancelling approximately 40 percent of marine patrols, including search and rescue;
- Eliminating 34,869 hours of patrol;
- Reducing by 33 percent subgrants to counties for patrol;
- A northeastern state would have to cut boating safety officers by 50 percent;
- On-water enforcement officers would be cut by 48 percent, and 22 part-time officers would not be hired;
- OUI enforcement would decrease; and
- Grants to local government would be eliminated entirely.

Through Wallop-Breaux funding many states have been able to improve their programs that inform and educate the boater. Programs which have educated school-aged children, adults and innovative informational efforts aimed at those persons who do not attend boating classes. Here are some examples of the effects cutbacks will have on these vital efforts. Each of the actions listed below reflect a different state's response:

- o Education programs would be curtailed to provide needed revenue for patrol activities;
- o Programs would be reduced by 75-80 percent including loss of staff and elimination of printed materials;
- o Elimination of free public boating safety education program;
- o Production of our TV & radio PSA's would cease - these have also been used by 22 other states and the Corps of Engineers;
- o Boating education personnel positions would be terminated;
- o Reduced education material printing and public service announcements;
- o All boating safety and awareness programs would be discontinued;
- o Education programs would be severely scaled-back or eliminated in favor of enforcement;
- o Production of all boating safety literature would be eliminated;
- o Two new statewide education programs for use in the schools would be eliminated;
- o A devastating reduction, if not complete elimination of our boating safety education program would result; and
- o Seventy-five percent reduction in education.

I am confident that our boating safety program is a prime example of a federal-state partnership that the Administration, Congress, the states and the boating public can be proud of. Admiral J.W. Kime, the Commandant of the Coast Guard, stated this best in the most recent issue of our Association's publication, *Boating Safety Dollars at Work*

The Commandant noted, "... When asked to assume an increasingly larger share of the responsibility for RBS* program activities, the States responded in an exemplary manner and increased their own RBS efforts considerably. The financial assistance provided to the States from the Boat Safety Account of the Aquatic Resources Trust Fund has, of course, contributed significantly to the ability of the States to accept the additional responsibility,. This is truly an outstanding example of the ability of government at all levels to work together for the benefit of the public we serve, and I am fully convinced that this cooperative effort has directly resulted in safer boating for millions of Americans. From the 1991 boating accident statistics, however, it is obvious that we still have a great deal of work to do, and the continued assistance of the States will be critical to those efforts..."

*Recreational Boating Safety

We are obviously very pleased with the Commandant's remarks and the support we have enjoyed from the Coast Guard over the years. It is my firm conviction, however, that **the termination of state financial assistance as it is now provided, will result in a deleterious effect upon the national boating safety picture from which it will not recover.** If the program is not restored in FY 95, all states and territories would have to reduce their boating safety programs, through cuts in on-the-water enforcement, search and rescue capability, education programs for children and adults, aids to navigation on very busy waterways, and cooperative efforts with the federal government, such as the accident investigation program and the Congressionally-mandated vessel identification system (VIDS).

Some states have noted that they would lose credibility and effectiveness in the budgetary competition within state government and some states would **eliminate their entire boating safety programs**. In any case, it is highly unlikely that the states will absorb the funding shortfall left when federal funds are cut. I think most would ask, "why should they?" We now have a model federal-state partnership paid for under the user fee concept and a program with a proven record of reducing boating fatalities. Why change?

In summary, I thank you for the opportunity for our Association to voice our concern over the possible loss of the boat safety trust funds and the devastating effect such a loss would have on our overall boating safety program. Your continued assistance in this funding issue is of the utmost concern to the National Association of State Boating Law Administrators and the nation's boating public.

Thank You

THE FEDERAL BOATING SAFETY GRANT PROGRAM

Questions and Answers

How does the program work? The funds for this grant program to the states come from 1.08 percent of the federal fuel taxes (determined by study to be the percentage boaters use). There are no general tax dollars used for this program. It is a true "user fee," where the user pays and the user benefits. The funds from the fuel taxes are deposited in the Aquatic Resources Trust Fund (also known as Wallop-Breaux). Each year \$70 million is authorized for the Boat Safety Account in this Fund - half of this money (\$35 million) is available to the Coast Guard for their boating safety activities and half (\$35 million) to the states for boating safety. Since this is discretionary funding (unlike the permanent appropriation on the fisheries portion of the Trust Fund), funding must go through the annual appropriation process. From the states' \$35 million there is also subtracted (off-the-top): 1) 1-2 percent for the Coast Guard's costs of administering the program and 2) 5 percent for non-profit grants. **The actual allotment to the states from the Boat Safety Account in the past two years has been below the \$35 million allowable. In FY 94 it is \$32,250,000.**

How is money divided-up among the states and territories? By law (46 USC, Chapter 131), the states receive money based on a formula (1/3 on the number of registered boats, 1/3 on the amount of state boating expenditures and 1/3 divided equally among all states and territories). **There is a match requirement of 50 percent by the states (territories are exempt), but most states exceed this amount. As an example, during the period from 1985-1991, states spent 4.24 times the required match.**

What can the fund be used for? The law allows the funds to be used for boating safety-education, enforcement, registration, aids to navigation, administration and public access.

What happens if the funds are not used? If no appropriation is made to the Boat Safety Account of the Trust Fund, it will stagnate at \$70 million (unavailable for other uses), and any excess in future years will roll over to the Sportfish Restoration Account of the Trust Fund and can be used for the fisheries side of the program.

What effect has the program had? Since the federal grant program began in the seventies, the boating fatality rate in the United States has dropped from 20.2 per 100,000 boats in 1971 to 4.0 in 1992! This is a five-fold decrease in boating deaths. Further, this program has shifted the primary role for boating safety **from the Coast Guard to the states** - in line with the 1982 Coast Guard Roles and Missions Study.

Has the program run its course? While the program has been very successful in reducing fatalities, boating is still the second leading cause of transportation deaths in this country, behind motor vehicles. Non-fatal accidents (injuries and property damage) are also still relatively high. In addition, the National Transportation Safety Board, in their 1993 **Recreational Boating Safety Study**, has recommended further actions to the states and Coast Guard to make boating safer. Waterway conflicts, operator education, the problem of boating and alcohol (50 percent of boating fatalities are alcohol related) are just several of the areas that need a hard look in the upcoming years.

What are we asking for? Restoration of the allocation to the authorized level of \$35 million for the state boating safety grants for FY 95.

Boating Safety Dollars at Work
(Selected federally-funded state programs)

In addition to the purchases of boats, motors, trailers and other equipment, and the funding of positions to handle enforcement, education, registration, and aids to navigation, on an ongoing basis, here are some of the more recent innovative state programs:

- Test research was conducted on 75 subjects in March of 1993 to further validate the field of sobriety tests used on the water.
- Development of an 11 part boating safety education video used in conjunction with classes taught by the U.S. Power Squadrons (USPS) and Coast Guard Auxiliary (USCGA).
- Development of a multimedia program, including TV and radio PSA's, video, posters and handouts, to get kids and their parents to wear PFD's
- Funding for an "OWI/DWI Task Force" to target high-use areas and address the problem of intoxicated boat operators.
- Installation of: 1) lights powered by solar-charged batteries to assist boaters in locating boat ramps at night, and 2) wind warning devices at many state reservoirs.
- Implementation of a boat titling system that will interact with the Coast Guard's Vessel Identification System (VID's) when it comes on-line.
- Publication in 1994 of a 16-page boat and water safety comic book called H2O Toons, aimed at 7-12 year olds.
- Improvement in boat accident reports through a program of public information, training of officers and legislation.
- Boaters who successfully pass a safety exam of their craft can enter a drawing for a donated boat, motor and trailer. In 1993 over 9,500 persons participated in this state / USCGA / USPS venture.
- Installation of a low-powered AM radio station on a river to provide safety information in this high use area.
- Publication of the **Boating Handbook**, a four-color comprehensive information guide for boaters, written in an easy-to-read format.
- Purchase of a robotic boat called "**Captain B. Safe**," which appears at boat shows, schools and on TV.
- Training of Game Wardens as first responders to render emergency medical care to injured boaters.
- Funding was provided for a sailing association to provide sailing instruction for 70 persons with disabilities.
- Funding of 8-10 seasonal officers from April through Labor Day to patrol the reservoirs in the state.

*Since 1971, when the Federal Boating Safety Act was passed and grant funds were made available to the states, the boating fatality rate in the country has dropped from 20.2, to 4.0 per 100,000 craft in 1992.

States Use of Federal Boat Safety Funds
Aquatic Resources Trust Fund
(Wallop-Breaux)

The States are proud of the use and effectiveness of the federal boat safety funds in pursuing the goal of "safe and enjoyable boating for all who use our nations waterways."

Congress continues to be concerned (and rightfully so) over the use and effectiveness of these trust funds. So the question is often asked, "***How do the States use federal boat safety funds?***"

Following is a comprehensive listing of the use of these funds:

- Increased boating safety patrols;
- Better boating accident investigations have pointed up causes which are targeted for increased education and enforcement;
- Increased training of enforcement officers;
- Better communications and enforcement equipment;
- Reaching more boaters with free education classes;
- Working towards better statistical data on effects of alcohol and boating, i.e. in California, a two-year study showed that in 59% of fatal motorboat accidents where testing could be conducted, alcohol was a contributing factor to the cause of the accident;
- Adding Kiosks to provide boaters information on coastal bar crossings, navigation, equipment requirements, rules of the road and related information including charts;
- Erection of wind warning strobe lights across heavily used bodies of water to warn boaters of impending high winds;
- Courtesy boat safety inspections;
- Conducting boating surveys, which provide critical data for assessing boat use, conflict areas and safety courses;
- Handing out free literature on boat noise, sailboarding safety, make way in dealing with large ships, hypothermia, pleasure craft, use of life jackets (PFD's) & alcohol use;
- Waterproof exhibits at boat launching ramps with boater safety information;
- Marking of hazards to recreational vessels;
- Development of school video systems;
- Conducting boater surveys;
- States are handling regatta permits instead of them being sent to the Coast Guard,
- States are picking up slack after Coast Guard removed BOSDET teams from joint jurisdictional waters (savings to the Coast Guard \$10 million PLUS)

- Developed and placed in use Boating Safety Home Study Course;
- Developed and placed at marine dealers a boating information display;
- Developed coloring books for elementary schools;
- Stepped up TV and radio public service announcements;
- Implementation of boating while intoxicated, purchase of portable testers, training classes and public awareness announcements;
- Computerizing boat accident information and arrests, which provides capabilities of responding to public, legislative and other inquiries, regarding boating accident and water fatality statistics;
- Improved the integrity of the boat registration system;
- Upgraded our enforcement equipment;
- Expanded our boating safety education capabilities;
- Purchased special search and rescue boats that are fully equipped for marine law enforcement;
- Adding additional full-time and part-time marine patrol officers and boating safety educators;
- Implemented special boating investigation teams to handle boat accident investigations;
- Improved cooperation with volunteer groups such as the Coast Guard Auxiliary, U.S. Power Squadrons, etc. by providing boat dock space, communication stations, phone, utilities, etc. This has resulted in much more visibility of search and rescue units and free boat safety inspections;
- Bringing together federal, state and local authorities in the interest of boating safety, law enforcement, training and equipment needs;
- Coordinate with local governments to establish boating restricted zones in heavy activity areas that present safety hazards to the boating public;
- Updating film library with additional programs and equipment to provide to the general boating community, and to maintain literature dealing with safety equipment regulations, safe boating information, registration, titling and numbering requirements for statewide distribution, so as to be highly visible and readily available to the boating public;
- Improve communications system to provide for better and extended coverage with the waterways enforcement officers. End result is improved response time to marine emergencies and as a device for greater officer protection;
- Establishing aids to navigation facilities & regulatory marker system for controlled areas;
- Construction of new boat access ramps; and
- As preventive strategies, inaugurated programs to reach the new generation of recreational boaters in the public schools.

Statement of
Commander William E. Legg, USNR (Ret.)
Director, Naval Affairs
Reserve Officers Association of the United States
for the
Subcommittee on Coast Guard and Navigation
House Committee on Merchant Marine and Fisheries
on the United States Coast Guard Budget
For Fiscal Year 1995
15 March 1994

Reserve Officers Association of the United States



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Statement of Commander William E. Legg, USNR (Ret.), Director, Naval Affairs of the Reserve Officers Association of the United States, for the Subcommittee on Coast Guard and Navigation, House Committee on Merchant Marine and Fisheries, concerning the FY95 Coast Guard Budget, 15 March 1994.

Mr. Chairman and members of the Committee:

It is my pleasure to address this committee concerning the Fiscal Year 1995 budget request for the United States Coast Guard.

The Reserve Officers Association has consistently supported adequate resource allocations for the United States Coast Guard. Providing the needed resources has been a distinct challenge to the Congress. However, each year some unique combination of Department of Transportation and Department of Defense funding has been made available to address most of the major funding requirements. This year we hope that the challenge to fully fund the Coast Guard from within Transportation appropriations will be met.

COAST GUARD BUDGET REQUEST

The President's Budget Request for Fiscal Year 1995 includes \$3.810 billion for the Coast Guard, almost the exact same amount that was requested for Fiscal Year 1994. Unfortunately, some will consider the \$147 million increase in the request over what was ultimately funded last year as real growth. This net "increase" is needed to fund the modest proposed pay raise, account for anticipated inflation, and to come a little closer to the funding

level needed on an annual basis to modernize and replace Coast Guard infrastructure.

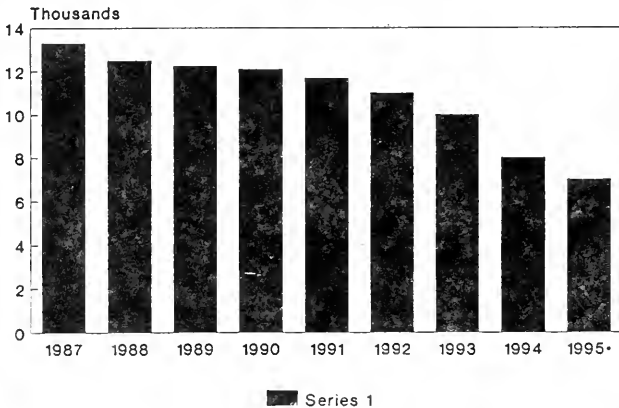
It is important that Congress recognize the fact that the Acquisition, Construction, and Improvements (AC&I) level funded in recent years, particularly since 1990, is not sufficient to permit the Coast Guard to recapitalize its more than \$18 billion infrastructure. Continued underfunding of this appropriation has created a bow-wave of requirements that has already required postponement of procurement programs to the degree that some of the Coast Guard's buoy tenders are more than 50 years old.

There are numerous other examples of the negative impact of serious fiscal constraints on a service that has had expanding requirements. Certainly the planned reduction of more than 1,000 active duty military personnel is one. The Coast Guard has shown great professionalism and flexibility in doing more with less. Congress must ensure that the Coast Guard is not stretched to the breaking point by continuous underfunding.

Therefore, the Reserve Officers Association strongly recommends that the Congress give full and positive consideration to the overall Coast Guard budget request for Fiscal Year 1995.

SELECTED RESERVE STRENGTH

There is at least one area, however, where Congress should not endorse the budget request--the Coast Guard Reserve. This component once again faces an unjustified reduction, the eighth consecutive year for such action.

COAST GUARD SELECTED RESERVE
(FUNDED END STRENGTH)

• Budget Request

FISCAL YEAR 1994 ACTION

Last year, our message to Congress was to reject the proposal to cut the Coast Guard to an all-time low of 8,000 Selected Reserve personnel and direct that a comprehensive study of requirements be completed and reviewed by the cognizant committees before any further personnel reductions were made.

The Department of Defense Authorization Act for Fiscal Year 1994 did authorize an end strength of 10,000 Coast Guard Selected Reservists. Unfortunately, the funding provided in the Transportation Appropriations Act for the Reserve Training (RT) appropriation did not include any of the additional funds needed to support the restoration of personnel. The result was authorization for 10,000 but only enough funding to provide pay and allowances needed for 8,000 Selected Reservists. In addition, none of the cognizant committees directed the initiation of the study that is needed to determine the real requirements for Coast Guard Reserve personnel.

RESERVE TRANSITION BENEFITS

ROA also informed the Congress of a major inequity facing Coast Guard Reservists. The Reserve Transition Benefits program enacted by the Congress the prior year did not cover the Coast Guard Reserve since the existing authorizing legislation was exclusively for Department of Defense Reserve personnel.

Congress resolved this situation by amending Reserve Transition Benefits legislation to provide the same authority to the Secretary of Transportation that is provided to the Secretary of Defense. This action helped soften the blow for many of the dedicated Coast Guard Reservists who have been separated as a direct result of these unplanned force reductions.

Coast Guard Reservists who are being separated from the Selected Reserve prior to the completion of a normal career because of the dramatic reduction in the size of the Selected Reserve now have the same option for early (15 years of service) retirement (with retired pay starting at age 60) and other benefits as their Department of Defense counterparts.

However, since the law requires that funding for Separation Pay (aimed at those with more than six but less than 15 years of service) and Special Separation Pay (for those with more than 20 years of service) must be paid from annual Reserve pay appropriations, very few Coast Guard Reservists with less than 15 years of service were separated and none of those released from the Selected Reserve with more than 20 years of service received the Special Separation Pay that those in similar status in Department of Defense reserve components are receiving. The fact that no funds were made available for these transition benefits did little to improve a serious morale problem.

FISCAL YEAR 1995 PROPOSAL

The proposal to further reduce the Coast Guard Selected Reserve to only 7,000 personnel at the end of Fiscal Year 1995 makes even less sense than the reduction proposed last year. If this recommendation is approved by the Congress, we will once again establish an all-time low in the number of Selected Reserve personnel without a credible basis for such action.

Approving this reduction will not only adversely affect the careers of an additional 1,000 dedicated Reservists, it will result in the loss of considerable capability to the Coast Guard.

The funding request for the Reserve Training (RT) appropriation for Fiscal Year 1995 is \$65 million, an increase of one million dollars over the amount requested and appropriated last year to support 8,000 Selected Reserve personnel. This net increase is primarily the result of last year's request not including any funding for the Reserve Transition Benefits program or the military pay raise and this year's request covering both these items plus a substantial offset for the requested reduction in personnel. It appears that a total of approximately \$70 million would be required in the RT appropriation to even maintain a modest 8,000 Coast Guard Selected Reservists during Fiscal Year 1995.

ROA WHITE PAPER

The Reserve Officers Association has prepared a white paper, "The United States Coast Guard Reserve, A Value-Added National Security Resource" which puts the recent reductions in the Coast Guard Reserve in historical perspective and provides rationale for increased use of Reservists to assist the Coast Guard in the performance of its day-to-day operations.

The conclusions of this paper are as follows:

- The Coast Guard Reserve is a cost-effective personnel resource that also makes the Coast Guard more flexible.
- A credible study of Coast Guard Selected Reserve requirements has not been completed since the end of the Cold War.
- Even without such a study, Coast Guard Reserve personnel strength has been cut each of the last 7 years and is budgeted for a further reduction in Fiscal Year 1995.
- Premature Reserve personnel separations will cause unnecessary recruiting, training, and transition costs if it is determined at a later date that these personnel are actually needed.
- Congress should authorize and fund a minimum of 8,000 Coast Guard Selected Reservists for Fiscal Year 1995 - the same level funded for Fiscal Year 1994; and
- Congress should also direct that a comprehensive study of requirements be completed prior to any further reductions in the Coast Guard Reserve.

ROA is in the process of sending a copy of this paper to every member of Congress because we recognize that this unwarranted reduction in the Coast Guard Selected Reserve must not continue. We also know that extraordinary action by the Congress will be necessary to staunch the flow of dedicated professionals from the Coast Guard Reserve.

We are also aware of the key role members of this committee play in this process, both in their roles as members of other committees and by their influence on other members of Congress. Therefore, I have provided several pre-printing copies of this paper to the committee staff for your immediate use.

SUMMARY

In summary, ROA recommends that:

- The overall Coast Guard budget request receive favorable consideration by Congress,

- Coast Guard Selected Reserve end strength be authorized at the level funded in Fiscal Year 1994 (8,000) and that \$70 million be provided in the Reserve Training appropriation to support this personnel level, and

- The Coast Guard be directed to complete and submit to the cognizant Congressional committees a study of Selected Reserve requirements that includes expanded use of Reservists in support of normal Coast Guard missions as well as to meet mobilization requirements, both for military and domestic disaster situations.

Thank you for this opportunity to present the positions of the Reserve Officers Association to this committee. I would be pleased to respond to any questions you may have at this time.



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**TESTIMONY OF JEAN C. GODWIN
VICE PRESIDENT OF GOVERNMENT RELATIONS
AMERICAN ASSOCIATION OF PORT AUTHORITIES**

**BEFORE THE HOUSE MERCHANT MARINE AND FISHERIES
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION**

MARCH 15, 1994

Good afternoon. My name is Jean Godwin. I am the Vice President of Government Relations for the American Association of Port Authorities (AAPA). Founded in 1912, AAPA represents virtually every major U.S. public port agency, as well as the major port agencies in Canada, Central and South America and the Caribbean. My testimony today reflects only the views of the United States delegation of AAPA.

The free and unencumbered flow of commerce through U.S. ports is essential to the efficient operation of our national transportation system. We cannot afford to have ships, tugs or other vessels hampered by obstructive bridges, much less risk the safety problems that result. U.S. ports, as well as U.S. trade, have benefited from the Coast Guard's Truman Hobbs program, which has traditionally funded the alteration or replacement of bridges that unreasonably impede navigation on U.S. waters.

We were therefore concerned to learn that the Department of Transportation FY 95 budget request governing Coast Guard programs does not include any funding under the

Truman Hobbs Act for alteration of bridges determined to be unreasonable obstructions to navigation. In addition, the Administration has proposed that beginning in FY 1995, alteration of highway bridges will be funded by the Federal Highway Administration (out of the Highway Trust Fund) through funds transferred to the Coast Guard, which will continue to administer the program. Alteration of rail bridges would continue to be funded directly by the Coast Guard.

We understand that the shift of funding responsibility will not result from the budget process, but that legislation will have to be proposed to clarify that highway bridges will be eligible for the FHWA bridge program. U.S. public port agencies are concerned that these changes may make it more difficult to obtain funding for alteration of highway bridges since (1) they would be competing for funding with numerous other types of bridge projects (including a backlog of "unsafe" bridges needing repairs), (2) they would be subject to FHWA spending caps, and (3) funding would be in the control of an agency without a focus on or concern for navigation.

According to the Federal Highway Administration, in 1992 about 118,500 of the Nation's 575,000 bridges were rated as structurally deficient and the cost to eliminate all backlog bridge deficiencies would be approximately \$78 billion¹. The Administration's proposed FY 95 budget anticipates the expenditure of approximately \$2.4 billion on the

¹"The Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance," Federal Highway Administration, 1993.

FHWA Bridge Replacement and Rehabilitation Program, described in the budget itself as "a program to enable States to respond to the problem of unsafe and inadequate bridges." The \$2.4 billion is obviously far short of the amount needed to accomplish that goal.

Given the limited funding available for bridges and the overwhelming needs, it is difficult to imagine that bridges creating obstructions to navigation will be given the same type of attention from the Federal Highway Administration that they are given by the Coast Guard. AAPA therefore would like to know, under a new regime of FHWA funding for highway bridges:

(1) When the Coast Guard has determined that a highway bridge creates an obstruction to navigation, where is the decisionmaking point on whether a bridge receives funding and how much of that funding will come from the federal government?

(2) When the Coast Guard has determined that a highway bridge creates an obstruction to navigation, will there be any mechanism to ensure that funding will be transferred from FHWA for the project?

(3) What is the logic for having the Coast Guard in control of rail bridges and the FHWA in control of highway bridges, if the issue at hand is one of obstruction of navigation. (The fact that the FHWA funding source is the Highway Trust Fund is not a logical reason, though it may be a practical one.)

Obviously, these questions might not be answered until legislation to implement the proposal is drafted. However, the risk of the replacement program for highway bridges becoming buried and subsumed in the FHWA bridge program is a real one and must be addressed.

Thank you and I would be happy to answer any questions.



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Vice Presidents
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Charles J. Weber
Dorchester County
410-225-2920

Crisfield Port Project
Stephen C. Ward
City of Crisfield
410-598-1333

Nantuxet River Project
Stephen T. Martin
Sussex County
002-855-7770

Pocomoke River Project
Richard P. Tillery
Pocomoke City
410-857-1333

Somerset Projects
Philip L. Oswald
Somerset County
410-851-0330

Terminal Operations
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Triangle Oil Co.
410-749-3831/848-4700

Transportation
Wayne K. Morris
Cato Oil Company
410-846-1218

Virginia Projects
Ben G. Collins, IV
Collins Engineering Corp.
804-547-0611

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P. Rex Sherris
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Southern States Coop., Inc.
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Assistant Treasurer
Ronald G. Alessi
Salisbury Building Supply
410-848-9500

Immediate Past President
Thomas K. Evans
Delmarva Power
410-576-3038

Chief Frank Applegate
Commanding Officer
USCGC TACKLE
P.O. Box 430
Crisfield, MD 21817

Dear Chief Applegate,

On behalf of the commercial users of Lower Eastern Shore waterways, we at the Delmarva Water Transport Committee would like to thank you and the crew of the USCGC TACKLE for your efforts at ice breaking and convoy coordination during the recent freezing weather.

We are indeed fortunate that the Coast Guard in this area has such dedicated and hard-working people who are willing to put in long hours and extra effort to see that adequate supplies of essential products reach their destinations.

Without the assistance provided by the Coast Guard, some area homes and businesses would quite literally have been without heat and other necessities provided by petroleum products.

We can't thank you enough for your valuable service.

Sincerely,

Michael D. Tursi

Michael D. Tursi
DWTC President

cc: Rear Admiral W. Ted Leland, Commander
Fifth Coast Guard District
Lt. Commander David N. Griffith, Commander
Coast Guard Eastern Shore Group

bcc: DWTC Executive Committee



DELMARVA WATER TRANSPORT COMMITTEE, INC.

Third Floor, Greater Salisbury Building, 200 West Main Street
P.O. Box 38, Salisbury, MD 21803-0038 (410) 742-9559
Judy Carlson, Executive Director

March 1, 1994

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Michael D. Turi
Martins
215-692-5485

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410-742-9559

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Ms. Steeley Nottingham, Chief, Atlantic Branch
Corps of Engineers National Waterways & Harbors Office
Waterborne Commerce Statistics Center
P.O. Box 61280
New Orleans, Louisiana 70161

Dear Ms. Nottingham:

The Delmarva Water Transport Committee, Inc. (DWTC) has once again conducted a survey of businesses utilizing certain Delaware and Maryland waterways for transport of product. The following figures resulted from that survey for 1993:

Wicomico River (MD) -	1,085,165 (54% petroleum products)
Pocomoke River (MD) -	351,708 (sand, gravel, wood)
Nanticoke River (MD/DE) -	632,538 (39% petroleum products)

In addition to the bulk tonnage, 12,250 passengers traversed the Wicomico and 2,220 traversed the Pocomoke during 1993 aboard The Maryland Lady, a cruise vessel which offers sightseeing tours of both waterways.

These statistics are supplied for comparison to those collected by your department. We appreciate WCSC efforts to investigate and rectify discrepancies revealed by our survey. We are pleased that our efforts have resulted in more accurate statistics which benefit everyone involved.

Please let me know if you have any questions about the survey information.

Sincerely,

Judy Carlson

Judy Carlson
Executive Director

cc:

The Honorable Joseph Biden, U.S. Senator, Delaware
The Honorable Barbara Mikulski, U.S. Senator, Maryland
The Honorable William Roth, U.S. Senator, Delaware
The Honorable Paul Sarbanes, U.S. Senator, Maryland
The Honorable Michael Castle, U.S. Representative, Delaware
The Honorable Wayne Gilchrest, U.S. Representative, Maryland
Colonel J. Richard Capka, Baltimore District Engineer, USACE
Colonel Andrew M. Perkins, Norfolk District Engineer, USACE
LTC Richard Sliwoski, Philadelphia District Engineer, USACE
Mr. Gary Crowell, Chief, National Waterways & Harbors, USACE

CITY OF CRISFIELD
CITY HALL
P.O. BOX 270
CRISFIELD, MARYLAND 21817-0270
(410) 968-1333
FAX # (410) 968-2167

RICHARD SCOTT, Mayor
HARRY T. PHOEBUS, JR., City Manager
ROBIN R. COCKEY, City Solicitor
JOYCE L. MORGAN, Clerk - Treasurer

February 28, 1994

CITY COUNCIL
KIMBERLY B. LAWSON
CATHERINE A. BROWN
GREGORY C. STERLING, SR.

The Honorable Wayne T. Gilchrest
United States House of Representatives
502 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Gilchrest: Re: U. S. Coast Guard
USCGC Tackle

I urgently call to your attention the fact that it is being proposed that the U. S. Coast Guard Cutter "Tackle" be de-commissioned as a budget-cutting measure.

This vessel has been stationed in Crisfield since 1982, and is considered a vital part of the well-being of this section of the Chesapeake Bay, and certainly an invaluable asset for this water-oriented community. Only this winter, with its severe icing conditions, her availability for ice-breaking has provided a means of clearing access to nearby Tangier Island, and the Wicomico and Nanticoke Rivers, Onancock Creek, Tangier and Pocomoke Sounds are all covered under the umbrella of her protection. Obviously, the fundamental needs of Tangier Island are particularly dramatic evidence of the Tackle's contribution to our area. In a less dramatic context, this vessel also performs a Search & Rescue Mission, and provides an essential waterside fire-fighting capability in this Bay port.

The human aspect also comes into play; the successive members of the crew of this vessel have integrated themselves into the fabric of our community in a way that is unique to the Coast Guard. Although this cannot be evaluated as a "buggetary consideration", it does impact our attitudes towards the possible loss of the vessel to Crisfield.

I respectfully request that you investigate this matter, and take any steps available to you to prevail upon the administration to reverse this proposed action.

Please advise me if there is any further information that the City can provide or action that we should take in order to more effectively oppose this proposed action.

Very sincerely yours,

Richard Scott
Richard Scott
Mayor

RS/D



Maryland Department Of Natural Resources
NATURAL RESOURCES POLICE

Tawes State Office Building

580 Taylor Avenue
 Annapolis, Maryland 21401
 (410) 974-2248



William Donald Schafer
 Governor

Torrey C. Browne, M.D.
 Secretary

Col. Franklin I. Wood
 Superintendent

March 14, 1994

Congressman Wayne T. Gilchrest
 United States Representative
 502 Cannon House Office Building
 Washington, D.C. 20515

Dear Congressman Gilchrest:

As Superintendent of the Maryland Natural Resources Police, I am writing to express my concerns in regard to the proposed cuts to Wallop/Breaux Trust Fund. Maryland waters are among the most popular and heavily used waters in the United States for recreational boating. As a "user fee fund", the Wallop/Breaux Fund provides for the enforcement and education programs that recreational boaters demand and deserve. The proposed annual reduction of 1.5 million dollars to Maryland would have a serious impact on recreational boaters using state waters, as well as on the law enforcement agency I represent.

The 35 million dollar reduction in Wallop/Breaux funds to the states, which would result in the total elimination of boating safety programs, would also result in the automatic elimination of 28 to 35 marine law enforcement officers of the Natural Resources Police. This represents a 25-35% reduction in the number of marine officers and a 12-15% reduction in the force as a whole. Considering the dramatic increase in recreational boating and the fact that the agency has actually lost enforcement positions in the last few years, it seems inconceivable to consider eliminating boating safety funds.

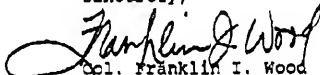
In addition, a cut of this magnitude would prohibit the Natural Resources Police from replacing vessels in a rapidly deteriorating fleet. Over 86% of the agency's operating budget is dedicated to salaries, which leaves only 14% for operations. A 1.5 million dollar decrease in the operations budget would have catastrophic consequences!

Since boating safety is of paramount importance, let me elaborate on the impact that a significant decrease in

Wallop/Breaux funds would have in that area. With the decrease in manpower and equipment, a corresponding increase in response time would result, which could easily mean the difference between life and death in certain situations. Response to complaints would also be significantly reduced by 40-50%. Boating safety education programs that have contributed significantly to saving lives and reducing accidents and injuries, would have to be eliminated out of necessity. Maryland has an excellent reputation in regard to boating safety education and enforcement and it would be a shame to destroy the things that the Natural Resources Police has worked so hard to accomplish.

This matter is of the utmost importance since there will be a hearing before the Coast Guard and Navigation Subcommittee in regard to funds and the plight of boating safety. I trust that you will consider the impact that a reduction in Wallop/Breaux funds will have on boating safety in Maryland before determining your position on reducing the budget in the area of recreational boating. If you have addition questions or concerns on this matter, please contact me at your convenience at (410) 974-3170. It is imperative that subcommittee members equate the loss of funds with the loss of life.

Sincerely,


 Pl. Franklin I. Wood
 Superintendent

QUESTIONS SUBMITTED BY MR. FIELDS AND ANSWERED BY COAST GUARD

001

QUESTION. HOW MANY MILITARY AND CIVILIAN PERSONNEL WERE INVOLUNTARILY SEPARATED FROM THE COAST GUARD DURING FISCAL YEAR 1994 (FY94)?

Answer. The Coast Guard separated 459 enlisted personnel as a result of a performance-based Reduction in Force (RIF). There will be no other RIF's of military members in FY94. In the normal course of operation the Coast Guard involuntarily separates others for drug use, poor performance, discipline, etc.

Four civilians were involuntarily separated in FY94 through March. One of these was separated through a RIF process.

002

QUESTION. WHAT PROCEDURAL PROTECTIONS ARE AFFORDED TO COAST GUARD PERSONNEL WHO ARE SUBJECT TO INVOLUNTARY DISCHARGE UNDER THE CURRENT REDUCTION IN FORCE (RIF)?

Answer. There are no procedural protections specifically afforded to personnel subject to discharge under the current RIF. However, the RIF criteria possess their own procedural protections. The RIF criteria focus on two primary areas: performance and conduct. Established appeal procedures exist in both the enlisted performance evaluation system and in nonjudicial punishment/court martial proceedings. In cases where appeals are pending, members are not evaluated under the RIF criteria until those appeals are fully resolved.

003

QUESTION. HOW MANY PERSONS WITH OVER 8 YEARS OF ACTIVE DUTY WILL HAVE BEEN DISCHARGED UNDER THE CURRENT RIF?

Answer. Of the 459 enlisted members who were separated under the current Reduction in Force (RIF), 61 had at least eight years of active duty service.

004

QUESTION. IS THERE PROVISION FOR EXEMPTIONS OR WAIVERS IN THE CURRENT RIF? IF NOT, WHY NOT?

Answer. The Reduction in Force (RIF) was based on very objective and specific performance and conduct criteria. Waivers were not permitted as they would have undermined the objectiveness of the criteria and promoted a perception of inequity. Although no waivers were granted, several discharges were delayed in consideration of certain personal situations.

The RIF was an essential means of reducing our workforce to align with our budget. Before resorting to a RIF, the Coast Guard tried to manage the situation entirely by limiting Coast Guard recruiting efforts and encouraging voluntary separations. Unfortunately, these measures alone were insufficient to overcome both the high retention we are experiencing and the magnitude of the reductions required in fiscal year 1994. Thus, for only the second time in ten years, a RIF was necessary. Thresholds for the RIF criteria were intentionally set to affect the minimum number of personnel necessary to achieve the required reductions.

005

QUESTION. HOW DOES THE CURRENT PROGRAM DIFFER FROM THE RIF THE COAST GUARD CONDUCTED IN 1988 OR THE ONE PRIOR TO THAT? IF THERE ARE DIFFERENCES, HOW ARE THEY JUSTIFIED?

Answer. The Reduction in Force (RIF) criteria, performance and conduct, and RIF management techniques were the same with each RIF action. The primary differences are the criteria threshold adjustments needed to meet different reduction targets. Also, the enlisted performance evaluation forms have changed over time, and the calculations used to determine average marks were modified accordingly.

006

QUESTION. THE PRESIDENT'S FY '95 DRUG CONTROL BUDGET ADDS APPROXIMATELY \$1 BILLION FOR DRUG TREATMENT AND OTHER PREVENTION PROGRAMS, AND CUTS APPROXIMATELY \$95 MILLION FROM DRUG INTERDICTION RESOURCES.

WHY DOES THE NATIONAL DRUG CONTROL STRATEGY CUT DRUG INTERDICTION RESOURCES IN FAVOR OF TREATMENT OF HARD-CORE DRUG USERS AND OTHER PREVENTION PROGRAMS?

Answer. The current National Drug Control Strategy attempts to balance supply and demand reduction efforts, while retaining the flexibility to respond to changing trafficking modes and methods. The Coast Guard, as the lead agency for maritime drug interdiction, provided input to development of the Strategy, which we strive to support.

007

QUESTION. WHAT IS THE EFFECT ON THE "WAR ON DRUGS" OF CUTTING DRUG INTERDICTION PROGRAMS? WON'T REDUCING INTERDICTION EFFORTS INCREASE DRUG AVAILABILITY ON THE STREETS? WON'T THE STREET PRICE OF DRUGS DECREASE IF WE CURTAIL OUR DRUG INTERDICTION EFFORTS?

Answer. The current National Drug Control Strategy attempts to balance supply and demand reduction efforts, while retaining the flexibility to respond to changing trafficking modes and methods. It further recognizes the value of interdiction as one element of the Strategy. The Coast Guard cannot comment on the relationship between interdiction and drug availability or street price, but as an interdiction agency, will strive to fulfill our responsibilities under the Strategy.

008

QUESTION. WILL THE PRESIDENT CONTINUE TO PROPOSE CUTS IN DRUG INTERDICTION AND INADEQUATE INCREASES IN LAW ENFORCEMENT IN ORDER TO FUND INCREASES IN DRUG TREATMENT AND OTHER PREVENTION PROGRAMS?

Answer. The Coast Guard cannot comment on the President's intentions with regard to drug interdiction and overall law enforcement funding. As an agency having drug interdiction responsibilities, we will strive to fulfill our responsibilities under the National Drug Control Strategy, using technology and innovations to offset, to the extent feasible, the effects of constrained resources.

009

QUESTION. WHY HAS THE ADMINISTRATION FAILED TO REQUEST ADDITIONAL FUNDS FOR COAST GUARD HAITIAN INTERDICTION ACTIVITIES?

Answer. Haitian interdiction activities are being executed by Coast Guard resources that would otherwise be performing drug interdiction and other Coast Guard missions. Because the Coast Guard is already fully funded to operate these resources at their annual program levels, the only costs that need to be funded are incremental costs (i.e., those costs that would not otherwise be incurred by the Service, but for this mission). Haitian interdiction activities that drive incremental costs, such as supplies and food given to migrants, have been lower in fiscal year 1994 than in fiscal years 1992 and 1993. Therefore, we currently anticipate being able to absorb fiscal year 1994 incremental costs associated with Haitian interdiction activities. We do not expect to seek supplemental funding unless the financial outlook changes significantly.

010

Question. What is your estimate of the Haitian interdiction expenses that the Coast Guard will be forced to absorb in fiscal year (FY) 1995, in addition to the \$4.5 million in FY94?

Answer. We define the expenses that the Coast Guard will be forced to absorb as "incremental" costs. Incremental costs include only those variable costs the Coast Guard incurred due to increased Haitian Migrant Operations. These costs include supplies and food given to Haitian migrants, temporary duty personnel costs, and fuel/maintenance costs for operating Coast Guard assets above normal program operating hours.

The estimated incremental costs of Haitian interdiction through 31 March 1994 are \$1.225 million. Assuming a steady state of operations, and that Coast Guard assets will not operate above normal programmed levels, the Coast Guard will be forced to absorb approximately \$2.45 million total Haitian operating expenses in FY94.

Although Haitian migrant interdiction is an extremely dynamic operation, we must use the same set of assumptions (steady state of operations, assets operating within programmed levels) to anticipate FY95 incremental costs. Therefore, we expect FY95 Haitian incremental operating expenses to be approximately the same as those in FY94.

011

QUESTION. DID THE PRESIDENT PROPOSE TO DISCONTINUE FUNDING FOR ANY OTHER FEDERAL TRANSPORTATION SAFETY PROGRAM?

Answer. The Office of the Secretary of Transportation (OST) reports that within The National Highway Transportation Safety Administration (NHTSA), funding for Alcohol Safety Grants in Section 408 of the Highway Safety Act, as amended by P.L. 102-240, was eliminated. This program was replaced with a new Section 410, an alcohol incentive grant program. The new program will provide grants to states that meet criteria to combat alcohol and impaired driving, including roadside checkpoints and lower Blood Alcohol Content laws.

Also in NHTSA, funding for Section 153, safety belt and motorcycle helmet program grants, was eliminated because Intermodal Surface Transportation Efficiency Act (ISTEA) authorized the program to move from a grant award phase to a penalty phase for noncompliance.

012

QUESTION. WILL THE STATES CONTINUE THEIR BOATING SAFETY PROGRAMS WITHOUT THE FEDERAL BOAT SAFETY GRANTS? IF NOT, WHAT IS THE EFFECT ON THE STATE PROGRAMS OF ELIMINATION OF FUNDING?

Answer. While the Coast Guard budget proposes to terminate the discretionary appropriation for the boating safety grants, the States will continue to receive Federal funding for recreational boating safety programs under the mandatory appropriation from the Sport Fish Restoration Account under provisions of the Clean Vessel Act of 1992. This funding increases dramatically from \$7.5 million in 1995, to \$10 million in 1996 and 1997, and \$20 million in 1998.

While this reduced amount of grant funding to the States will likely impact their boating safety programs to some degree, the Coast Guard is encouraged by the significant success of the State boating safety program efforts in reducing fatalities, and applauds the States' assumption of responsibility for boating safety. State initiative in boating safety is evidenced by the States' collective financial contribution in excess of four times the current Federal grant amounts.

It is also important to note that the Coast Guard will continue to provide the leadership, coordination, and oversight for the National Recreational Boating Safety Program by:

- Supporting Coast Guard Auxiliary activities; including boating education, courtesy marine examinations, and safety and marine event patrols.
- Updating existing, or establishing new, boating safety standards for boats, associated equipment, and boat operations.
- Conducting standards compliance testing and oversight of boat recall campaigns.
- Maintaining a safety hotline for the public to report or receive information on product defects and other boating safety matters.
- Conducting boating safety educational and informational campaigns.
- Maintaining essential multi-mission stations and Aids to Navigation facilities to ensure adequate emergency search and rescue capability and maintain safe U.S. Waterways.
- Conducting safety enforcement activities with States.
- Providing grants for boating safety activities of national non-profit service organizations.

013

QUESTION. WILL THE PRESIDENT PROPOSE TO REBATE THE FUEL TAXES COLLECTED TO FUND THE STATE BOAT SAFETY GRANT PROGRAM TO RECREATIONAL BOATERS?

Answer. No, the Administration has not proposed a rebate of the motorboat fuel taxes collected to fund the State Boat Safety Grant Program. Under the Administration's budget proposal, the Boat Safety Account would receive a deposit of \$70 million in fiscal year 1995, which would remain unappropriated. As long as the funds deposited into the Boat Safety Account in 1995 remain unappropriated, all motorboat fuel tax revenues transferred in 1996 and subsequent years will, by law, "roll over" to the Sport Fish Restoration Account and be expended for state programs under that account's mandatory appropriation.

Also, the states will continue to receive Federal boat safety funding from the Sport Fish Restoration Account, as provided by the Clean Vessel Act of 1992. This funding increases from \$7.5 million in 1995, to \$10 million in 1996 and 1997, and to \$20 million in 1998.

014

QUESTION. WHAT HAPPENS TO THE UNSPENT FUEL TAX DOLLARS IN THE BOAT SAFETY ACCOUNT?

Answer. Under current law, the unspent fuel tax dollars in the Boat Safety Account remain on deposit. This can be up to \$70 million, which is the cap on the amount that can be on deposit in this account. All deposited appropriated funds allocated to the state(s) remain available for expenditure by the state(s) for three years from the date of allocation. After three years, unobligated funds are withdrawn from the state(s) and made available with other amounts to be allocated during that fiscal year. Any funds available, but not allocated at the end of a fiscal year shall be carried forward as part of the next year's total allocation. Motorboat fuel tax revenues in excess of the \$70 million allowed to be deposited during any fiscal year into the Boat Safety Account are transferred as follows: The first \$1 million in excess is transferred to the Land and Water Conservation Fund, and the balance is transferred to the Sport Fish Restoration Account.

015

QUESTION. WHEN WAS THE LAST TIME THE COAST GUARD RESERVE FELL TO 7,000 INDIVIDUALS?

Answer. The last time the Coast Guard Selected Reserve fell to 7,000 individuals was in the demobilization following World War II. Post-war Selected Reserve strength rose above 7,000 in fiscal year 1957 and has not been at that level since.

016

QUESTION. RECENTLY, THE COAST GUARD RELEASED A REPORT JUSTIFYING THE PRESIDENT'S PROPOSAL TO REDUCE THE COAST GUARD RESERVE TO 8,000 RESERVISTS. WHAT IS THE JUSTIFICATION FOR REDUCING THE RESERVE TO 7,000?

Answer. The fiscal year 1994 Coast Guard Selected Reserve strength of 8,000 was based on an assessment of requirements in documented or developing operations plans including DOD mobilization needs. 8,000 remains the Coast Guard's assessment of the number of Selected Reserves required to simultaneously meet all defense contingency requirements, which is highly unlikely.

However, Coast Guard funding constraints in fiscal year 1995 require reductions in Selected Reserve strength. The reduction of one thousand Selected Reserves will save approximately four million dollars in fiscal year 1995. To remain within mandated budget targets the administration elected to further reduce the Selected Reserve, which given changed national defense requirements isn't likely to be needed at the full 8,000 level, so as to fund ongoing operations that deliver essential services to the public on a daily basis. This makes sense as the probability of contingencies requiring simultaneous mobilization of all reservists is extremely low, and the Coast Guard can meet all likely mobilization events with a Selected Reserve strength of 7,000.

017

QUESTION. WHAT WILL HAPPEN IF THE COUNTRY EXPERIENCES EMERGENCIES OR NATURAL DISASTERS WHERE THE COAST GUARD RESERVE IS NEEDED ON TWO COASTS SIMULTANEOUSLY?

Answer. By employing a force of active duty and reservists mobilized in response to involuntary recall authority, the Coast Guard will respond to all requirements. Coast Guard response to non-defense contingencies is principally performed by active duty forces. Trained reservists, employed through involuntary recall authority, augment active duty forces in times of sustained, peak work load. For example, the 228 reservists who participated in Hurricane Andrew relief operations, and the 505 reservists who participated in the Midwest Flood response efforts, were readily available to augment the active forces in those locales. Although both disasters did not occur concurrently, the combined level of Coast Guard Reserve participation in those operations showed that simultaneous requirements for reservists on two U.S. coasts could be accommodated within Reserve capacity. The severity and duration of each contingency will determine the exact manner and length of mobilization.

018

QUESTION. BY WHAT PERCENTAGE IS THE ARMY NATIONAL GUARD SCHEDULED TO BE REDUCED UNDER THE PRESIDENT'S DEFENSE BLUEPRINT RELEASED FEBRUARY 7, 1994? (11%) THE ARMY RESERVE? (23%) THE NAVAL RESERVE? (32%) THE MARINE CORPS RESERVE? (1%) THE AIR NATIONAL GUARD? (1% INCREASE) THE AIR FORCE RESERVE? (2%) COAST GUARD RESERVE? (45%) WHY IS THE COAST GUARD RESERVE BEING TREATED SO DIFFERENTLY FROM THE OTHER RESERVE COMPONENTS?

Answer. The President's Defense Blueprint (Bottom-Up Review) for changes in reserve component strengths measured during the period from fiscal year 1987 through 1999 is as follows: Army National Guard (-19%), Army Reserve (-34%), Naval Reserve (-34%), Marine Corps Reserve (no change), Air National Guard (-2%), and Air Force Reserve (-4%). The Coast Guard Selected Reserve will have been reduced 46 percent during the period from fiscal year 1987 through 1995. The size of the Coast Guard Selected Reserve is determined by Coast Guard mobilization requirements based, in part, by the Department of Defense requirements and is subject to budgetary constraint. However, there is no direct correlation to Department of Defense reserve component strengths. Reductions in Coast Guard Reserve strength are not addressed in the DoD Bottom-Up Review.

019

QUESTION. IS FUNDING FOR HIGHWAY BRIDGES THAT ARE HAZARDS TO NAVIGATION INCLUDED IN THE FEDERAL HIGHWAY ADMINISTRATION'S (FHWA) DISCRETIONARY BRIDGE PROGRAM? IF NOT, WHAT ASSURANCE IS THERE THAT THESE BRIDGES WILL BE ADEQUATELY FUNDED?

Answer. The Department of Transportation, in coordination with the Federal Highway Administration and the Coast Guard, has prepared appropriate legislative authority to permit access to Federal Highway's discretionary bridge program funds for alteration of those highway bridges that are unreasonable obstructions to navigation. If the legislative initiative fails, the Administration will reexamine funding options to ensure the bridge alteration program requirements are adequately met.

020

QUESTION. WHY SHOULD THE FUNDING MECHANISM FOR BRIDGES THAT ARE HAZARDS TO NAVIGATION BE CHANGED?

Answer. The Administration's budget regarding funding for the bridge alteration program is in keeping with the Fiscal Year 1994 Appropriations Conference Report. The House and Senate conferees agreed "that future federal funds for these and other highway bridges deemed to be an obstruction to maritime navigation will not be funded out of the 'Alteration of Bridges' appropriation."

021

QUESTION. WON'T THE ADMINISTRATION'S PROPOSAL TO FUND THE COAST GUARD BRIDGE PROGRAM THROUGH THE FEDERAL HIGHWAY ADMINISTRATION ADD ANOTHER BUREAUCRATIC LAYER TO THE PROGRAM WITH NO ADVANTAGE TO THE PROGRAM?

Answer. No. Funding for the alteration of obstructive highway bridges will be transferred to the Coast Guard for execution and oversight. The Coast Guard will continue to manage the alteration of these bridges in the same manner as it has in the past.

022

QUESTION. IF THERE ARE INADEQUATE FUNDS FOR BRIDGE ADMINISTRATION IN THE COAST GUARD BUDGET, SHOULDN'T THE ENTIRE PROGRAM BE TRANSFERRED TO ANOTHER AGENCY, SUCH AS THE CORPS OF ENGINEERS?

Answer. No, I consider the Bridge Administration program to be appropriately handled within the Department of Transportation. Transfer of the Bridge Administration program to another agency such as the U.S. Army Corps of Engineers (COE) was proposed in 1987 to eliminate duplication of bridge permitting and consolidate waterway construction-related projects in one agency. This effort was ultimately abandoned due to overwhelming unfavorable response from industry, states' transportation agencies, and Congress who expressed strong concerns that the transportation safety issues would not be adequately considered by the COE. This issue was most recently reexamined under Vice President Gore's National Performance Review to create a more efficient and effective government. The concept was not considered worthwhile to pursue. Bridge Administration is an intermodal transportation program that affects marine, highway and rail modes of transportation. The purpose for the establishment of the Department of Transportation (DOT) was to bring all transportation related programs under one umbrella. Taking such a program out of DOT would not be in keeping with that purpose. The proper agency within DOT to manage the program is the Coast Guard, since it involves critical navigation safety and waterway management issues.

I do not believe transferring the bridge administration function to another agency which has a larger budget than the Coast Guard would guarantee higher levels of funding for the program or greater effectiveness in program execution. There are three separate functions within the Bridge Administration program: Permit approvals, drawbridge regulations, and obstructive bridge alterations. The Coast Guard bridge alteration function is the most costly aspect of the overall bridge administration program; proper execution of the permitting and regulation functions should obviate future bridge alterations.

The Coast Guard's effectiveness in program execution is evidenced by the fact that no bridge permitted by the Coast Guard since assuming this responsibility from the COE in 1966 has ever been declared unreasonably obstructive, and that the Coast Guard has ordered and overseen the alteration of more bridges than the COE did in all the years prior to 1966. There are currently nine alteration projects underway or pending for highway and railroad bridges declared to be unreasonable obstructions to navigation; there are an additional 47 other bridges which are pending an investigation to determine whether they are unreasonable obstructions. All of these bridges were built under permits issued prior to the Coast Guard assuming responsibility for bridge administration.

Bridge alterations have heretofore been funded by a separate "Alteration of Bridges" appropriation provided under the authority of the Truman-Hobbs Act of 1940. The Administration is proposing an alternative funding mechanism through the Federal Highway Administration's discretionary bridge program to cover the cost of altering highway bridges; railroad bridge projects will continue to be funded under Truman-Hobbs. All other bridge administration program costs are covered through the Coast Guard's Operating Expenses Appropriation.

023

QUESTION. WHEN WILL THE ADMINISTRATION SUBMIT THE NECESSARY LEGISLATIVE CHANGE TO CONGRESS TO IMPLEMENT THE BRIDGE FUNDING PROPOSAL?

Answer. The necessary legislative change to implement the bridge funding proposal is one part of a package of Department of Transportation legislative proposals to implement the President's fiscal year 1995 Budget Initiatives. The Department of Transportation proposal is now in final policy coordination. Accordingly, the bridge funding proposal will be forwarded to Congress as soon as possible.

024

QUESTION. WHEN WILL THE ADMINISTRATION RELEASE THE FINAL RULE ON CERTIFICATES OF FINANCIAL RESPONSIBILITY?

Answer. The Administrative Procedures Act precludes the Coast Guard from discussing the status of the rulemaking.

025

QUESTION. WHERE IS THE PROPOSED FINAL RULE IN THE CLEARANCE PROCESS WITHIN THE ADMINISTRATION?

Answer. The Administrative Procedures Act precludes the Coast Guard from discussing the status of the rulemaking.

026

QUESTION. DID THE COAST GUARD CONFER WITH THE MINERALS MANAGEMENT SERVICE (MMS) BEFORE THE MMS ISSUED ITS ADVANCE NOTICE ON FINANCIAL RESPONSIBILITY FOR OFFSHORE OPERATORS? IF NOT, WHY NOT?

Answer. The Coast Guard conferred with MMS with respect to the Coast Guard's rulemaking on financial responsibility for vessels. The purpose was to avoid conflicts with MMS's future rulemaking on offshore facilities because some types of offshore facilities have a dual status as vessels and offshore facilities. The Coast Guard, however, had no need to discuss with MMS the substance of the MMS Advance Notice, as it was an advance notice rather than a proposal.

027

QUESTION. WILL THERE BE A GREATER EFFORT IN THE FUTURE TO COORDINATE IMPLEMENTATION OF THE OIL POLLUTION ACT OF 1990 AMONG THE VARIOUS FEDERAL AGENCIES INVOLVED?

Answer. The Coast Guard has taken every opportunity to coordinate with other interested Federal Agencies. For example, when the Coast Guard was developing the Vessel and Facility Response Plan Rulemakings, several agencies were consulted at every stage of the rulemaking because of overlapping and confusing areas of authority. These were the Environmental Protection Agency (EPA), the Minerals Management Service and Fish and Wildlife service in the Department of Interior (DOI), the Pipeline Safety and Hazardous Materials Offices within the Research and Special Programs Administration, and the National Oceanographic and Atmospheric Administration. This resulted in an integrated rulemaking allowing regulated parties to prepare a single plan. The single plan will be reviewed by each interested agency, and the work load and difficulty of compliance for the industry is significantly reduced.

There are other examples of coordinating the implementation of the Oil Pollution Act of 1990 (OPA 90). In one case the Coast Guard worked closely with the EPA and 13 other federal agencies in revising the National Contingency Plan and recently the DOI, EPA, and Department of Transportation published a Memorandum of Understanding (MOU) in the Federal Register providing notice of establishing federal jurisdictional boundaries for offshore facilities, including pipelines.

The Coast Guard has also hosted an "Environmental Summit" which provided a forum for environmental interest groups to meet with top government agencies to discuss regulatory approaches for implementing OPA 90. This brought the federal agencies face-to-face with a primary constituency.

The Coast Guard has is also working closely with the states to ensure a sound national marine environmental protection policy through joint preparedness, prevention, response, and law enforcement efforts. Memoranda of Agreements (MOAs) have been signed with California, Hawaii, Northern Marianas, Guam, and Alaska. Several other MOAs are being written.

028

QUESTION. WHAT IS THE COAST GUARD'S POSITION ON THE VALUE OF A RISK MANAGEMENT MANUAL FOR BOAT RAMPS, INCLUDING UNIFORM SIGNAGE ON BOTH SAFE LAUNCHING AND SAFE BOATING, INFORMATION KIOSKS, AND WARNINGS AGAINST POTENTIAL HAZARDS? WHY HASN'T THE COAST GUARD FUNDED PROPOSALS OF THIS TYPE IN THE PAST?

Answer. There is merit in developing a risk management manual for boat ramps, including uniform signage on both safe launching and safe boating, information kiosks, and warnings against potential hazards. We actively solicit grant proposals in specific areas of interest, and encourage proposals that reflect new ideas and initiatives from prospective grantees. The Coast Guard receives an average of seventy grant proposals per year from national nonprofit public service organizations for national boating safety activities. All proposals received are given full consideration. They are evaluated on their feasibility, or likelihood of success, and their potential nationwide boating safety impact in relation to cost. Over the past five years, about nineteen proposals have been funded each year. On a priority basis the proposed project in question did not rank high enough to be funded.

029

QUESTION. WHY HAS THE COAST GUARD DRAMATICALLY RESTRICTED THE TIME THE DRAWBRIDGES IN CHICAGO COULD BE OPENED? WHAT IS THE JUSTIFICATION FOR ISSUING TEMPORARY REGULATIONS BEFORE DATA WAS SUBMITTED TO DETERMINE IF THERE IS A NEED FOR A PERMANENT CHANGE? WHY WAS THE CITY OF CHICAGO NOT REQUIRED TO SUBMIT A WEEK OF TRAFFIC DATA BEFORE A CHANGE WAS MADE TO THE DRAWBRIDGE REGULATIONS?

Answer. Although there are variances, the existing drawbridge rules generally require the Chicago River bridges to be opened on demand for marine traffic between April 1 and December 31, except during land transportation "rush hours." From January 1 through March 31, the bridges are opened if at least 12 hours notice is given.

The Coast Guard issued "temporary" test regulations adjusting Chicago bridge opening schedule on four occasions since April 1993. These "temporary" test regulations were designed to collect data to determine what, if any, changes to the present opening schedule are needed. The first test was of 30 days duration and provided no daylight bridge openings during weekdays. The subsequent tests were of approximately sixty days duration and involved various combinations of daylight openings.

The Coast Guard issued a Notice of Proposed Rulemaking (NPRM) in December 1993, which proposed to provide no bridge openings during weekday daylight hours. On January 20, 1994, the Coast Guard held a public hearing on the NPRM in Chicago. The Coast Guard expects to issue a final regulation in April-May 1994 timeframe to establish the opening schedule for the Chicago River bridges in consideration of all the data collected during the Coast Guard's investigation, including evaluation of public input at the hearing and written comments in response to the Notice of Proposed Rulemaking.

The city of Chicago has submitted traffic data which will be considered along with all other information collected during the regulatory process, prior to making a decision on the final opening schedule of the bridges.

030

QUESTION. WHAT IS THE CITY OF CHICAGO'S REASON FOR REQUESTING A CHANGE TO THE DRAWBRIDGE REGULATIONS? DOES THE COAST GUARD AGREE THAT THE REASONS CITED BY THE CITY OF CHICAGO MERIT THE DRAMATIC RESTRICTION IN DRAWBRIDGE OPENINGS?

Answer. The reasons stated by the city of Chicago are to: accommodate land traffic needs; allow for quick emergency responses; reduce the need for frequent bridge repairs; eliminate land traffic back ups and disruptions; and, reduce the need for drawbridge tenders. The issue is under regulatory review by the Coast Guard. The Coast Guard expects to issue a final regulation in the April-May 1994 timeframe to establish the opening schedule for the Chicago River bridges in consideration of all the data collected during the Coast Guard's investigation, including evaluation of public input in response to the Notice of Proposed Rulemaking and at the public hearing held in Chicago on January 20, 1994.

031

QUESTION. IS IT TRUE THAT THE COAST GUARD ISSUED THE FIRST TEMPORARY RULE 2 DAYS AFTER THE CITY MADE ITS FORMAL REQUEST FOR CHICAGO DRAWBRIDGE RESTRICTIONS?

Answer. No. The City of Chicago's first formal request was made in a meeting with the Ninth Coast Guard District's Chief of Staff in mid-February of 1993. Two additional meetings occurred between March and April which resulted in the city submitting a follow-up letter request on 22 April 1993 for the regulation change. The first "temporary" test regulation was issued on April 25, 1993, for the purpose of collecting information to determine if any changes to the present bridge opening schedule are necessary.

032

QUESTION. DESPITE SAFETY CONCERNS, WHY DID YOU RECOMMEND NO DAYTIME OPENINGS FOR THE BRIDGES?

Answer. The Notice of Proposed Rulemaking (NPRM) contained no daytime openings during the weekday, but did provide a 12-hour opening period between 7 a.m. and 7 p.m. on Saturdays and Sundays. All comments received at the public hearing and written responses to the NPRM will be analyzed with full consideration of safety concerns prior to making a final decision. The Coast Guard anticipates issuing a final rule in May 1994 timeframe.

033

QUESTION. WHAT HAS THE COAST GUARD ACCOMPLISHED IN ITS EFFORT TO ELIMINATE UNNECESSARY REGULATORY REQUIREMENTS ON THE U.S. MERCHANT MARINE. WHAT IS THE DEADLINE FOR COMPLETION OF THIS PROJECT?

Answer. The process of regulatory review is an ongoing effort. Last year the Coast Guard renewed its effort by establishing a special regulatory reform implementation team that was made up of industry representatives, as well as members of the Coast Guard. The team has completed an extensive comparison between U.S. regulations in the Code of Federal Regulations, class society requirements, and International Maritime Organization (IMO) requirements. The team also established a maritime regulation reform implementation plan. The plan calls for harmonization of domestic and international safety standards, expanding the role of classification societies in determining compliance with those safety standards, and balancing our port state and flag state enforcement efforts. The task of identifying appropriate changes to specific regulations is continuing. The scope of the review has been expanded to look at classification society requirements other than those of American Bureau of Shipping (ABS). This effort, to begin in July 1994, will identify regulatory alternatives. When acceptable alternatives have been identified, a regulatory project will be initiated to eliminate those U.S. regulations that are no longer needed. After it is initiated, the regulatory project would take about two years to complete. The Coast Guard is working with an industry group to evaluate alternative standards which will meet its regulatory needs while expediting ship design review as well as facilitating ship operator's ability to purchase equipment at optimal cost.

In order to ensure that industry can take advantage of new technology, there are provisions throughout the regulations for establishing equivalence to the stated requirements. The Coast Guard has actively developed and publicized policies and procedures enabling designers to more easily and profitably take advantage of these provisions.

034

QUESTION. RECENTLY, CHAIRMAN TAUZIN, MR. BATEMAN, MR. COBLE, AND I REQUESTED ANSWERS TO A LIST OF QUESTIONS REGARDING A MARINE BEACON PROCUREMENT THAT WAS AWARDED TO A FOREIGN COMPANY OVER A DOMESTIC MANUFACTURER WITH NEARLY 30 YEARS EXPERIENCE WITH THE COAST GUARD. WHEN WILL WE GET AN ANSWER TO THESE QUESTIONS? IN PARTICULAR, HOW IS THE COST OF DEALING WITH A FOREIGN COMPANY CONSIDERED AS PART OF THE ENTIRE COST OF THE CONTRACT TO THE GOVERNMENT?

Answer: Our responses to your questions regarding the marine beacon procurement were forwarded to your office, by the Vice Commandant, on March 11, 1994. The cost of dealing with a foreign firm is specified in the Federal Acquisition Regulations (Subpart 25.105). Specifically, a foreign company's offer must be lower than a competing domestic firm by at least 6 percent if the domestic offer is from a large business that is not in a labor surplus area, or by more than 12% if the domestic offer is from a small business or a labor surplus area business.

035

QUESTION. I UNDERSTAND THAT THE PROPOSED REGULATIONS FOR RESPONSE PLANS UNDER OPA 90 IMPOSE THE SAME REQUIREMENTS ON AGRICULTURAL PRODUCTS SUCH AS ANIMAL FATS AND VEGETABLE OILS AS TOXIC PETROLEUM OILS. LAST YEAR, THE RSPA RESCINDED ITS "HAZARDOUS SUBSTANCE" DESIGNATION FOR THESE SUBSTANCES. NOW, THESE EDIBLE PRODUCTS MAY BE MISLABELED AS TOXIC SUBSTANCES UNDER THE RESPONSE PLAN REGULATIONS. HOW WILL YOU ENSURE THAT FOOD PRODUCTS ARE NOT TREATED AS TOXIC SUBSTANCES.

Answer. The Coast Guard does not classify vegetable and animal oils as hazardous materials or toxic materials and the response plan rule does not define them as toxic. Vessels and onshore marine transportation related facilities transporting agricultural oils need to have an approved response plan, but the requirements for agricultural oils are not as stringent as for petroleum oils. The Oil Pollution Act of 1990 (OPA 90) amends section 311 of the Federal Water Pollution Control Act (FWPCA) to require response plans for vessels and facilities which handle, store, or transport oil in bulk as cargo. The FWPCA broadly defines oil. Since 1972, the FWPCA definition of oil has been interpreted to include non-petroleum oils such as vegetable and animal oils.

The response plan interim final rule has been effective since February 5, 1993 and the animal fat and vegetable oil industry has been operating in compliance with the rule since that date. Although some owners and operators of vessels transporting agricultural oils would prefer not to be regulated at all, these oils do pose a hazard to the marine environment. The debate on the hazard presented by agricultural oils is still ongoing. A large discharge of agricultural oil would have harmful effects to the ecology including loss of birds and marine mammals.

The Coast Guard believes the less stringent rules applied to agricultural oils are in proportion to currently accepted estimates of their hazard. Until there is better information on the hazards presented by agricultural oils, the Coast Guard has decided not to regulate them as stringently as petroleum oils. The attached chart explains the differential in response plan requirements between petroleum oils and agricultural (non-petroleum) oils.

TABLE 1

**COMPARISON OF COAST GUARD RESPONSE PLANNING REGULATIONS
FOR PETROLEUM OILS AND NON-PETROLEUM OILS**

	Petroleum Oils	Non-petroleum Oils
Response Planning Scenarios ^{1,2}	Worst Case Discharge (WCD)* Max. Most Probable Discharge (MMP) Average Most Probable Discharge (AMP)	WCD* N/A N/A
Methods of Ensuring Response Resources and firefighting Resources ³	4 methods including contract for specific resources.	5 methods including acknowledgement of available resources from OSRO. No contract is necessary.
Quantity/Arrival of Response Resources ^{1,2}	Based on planning volume and application of minimum planning guidelines.	Based on WCD volume and minimum equipment identified by owner/operator of facility.
Mobilization	1,000 feet of containment boom available w/in one hour. WCD – Tier 1 resources w/in 2 hours of notification.	Amount and type of containment boom not specified. WCD – Not specified.
Arrival of Response Resources	WCD – Three tiered response times based on location. MMP – 1,000 feet of containment boom w/in one hour. Recovery equipment w/in 2 hours. Recovery equipment w/in 2 hours. Additional equipment w/in 6 or 12 hours, depending on location. AMP – 1,000 feet of containment boom w/in one hour. Recovery equipment w/in 2 hours.	WCD – Tier 1 resources based on location. MMP – N/A AMP – N/A.

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- See 33 CFR 154.1014 and 154.1048 for RMP. Appendix C, outlined guidelines for determining and evaluating required response resources. It applicable only to petroleum oil.
- See 33 CFR 155.1050 and 155.1054 for VGP. Appendix B, outlined guidelines for determining and evaluating required response resources. It applicable only to petroleum oil.
- See 33 CFR 154.1014 for the minimum equipment and response resources for a CDR. It lists the types of equipment and response resources that are required to be available to include the facilities, an independent monitoring system. The RMP method is data driven then an acknowledgment from a local response organization (OSRO) then they have response resources and will respond to a discharge.

N/A - Not Applicable.

* Required by statute.

QUESTION. ON FEBRUARY 28, 1994, THE COAST GUARD, THE MINERALS MANAGEMENT SERVICE (MMS), AND THE ENVIRONMENTAL PROTECTION AGENCY (EPA) PUBLISHED IN THE FEDERAL REGISTER A MEMORANDUM OF AGREEMENT (MOA) ON IMPLEMENTATION OF THE OIL POLLUTION ACT OF 1990 (OPA '90). THE DESCRIPTION IN THE MOA OF THE GEOGRAPHIC JURISDICTION OF THE MMS UNDER OPA '90 IS CONFUSING.

WHAT IS THE EFFECT OF THE MOA? DOES IT EXTEND THE JURISDICTION OF THE MMS UNDER THE OPA '90 BEYOND THAT GRANTED IN EXECUTIVE ORDER 12777, WHICH WAS SEAWARD OF THE BOUNDARY LINE? WHY DID THE AGENCIES ISSUE THIS MOA AT THIS TIME? WHAT IS THE EFFECT ON EXISTING RULES ON RESPONSE PLANS FOR VESSELS AND FACILITIES?

Answer. The MOA redefined agency jurisdiction over specific aspects of OPA 90 mandates and how they would apply to onshore and offshore facilities. The MOA did not extend the jurisdiction of MMS, and in fact, transferred part of it. This issue was driven by confusion over which agency should receive oil spill response plans mandated by OPA 90. The effect of the MOA on existing rules for vessel and facility response plans is to clearly define which agency will receive and approve the plans.

In Executive Order (E.O.) 11735, the responsibility for "offshore facilities" was vested in both the Environmental Protection Agency (EPA) and Department of Transportation (DOT). E.O. 12777 revoked E.O. 11735 and delegated various responsibilities identified in section 311(j) of the Federal Water Pollution Control Act (FWPCA) to the Department of Interior (DOI), DOT, and the EPA. This assigned responsibility for "offshore facilities", with only a few specific exceptions such as Deep Water Ports, to the DOI and "onshore facilities" were divided between DOT and EPA. In previous E.O.s, delegating responsibility for Clean Water Act activities, DOT received specific delegation for "transportation-related" offshore as well as onshore facilities. However, in E.O. 12777 there was no differentiation made for "offshore facilities" as to whether they were transportation related or not.

Under the February 28, 1994, MOA between DOT, EPA, and DOI, transportation-related offshore facilities that are shoreward of the line of ordinary low water (and various closing lines) marking the seaward limit of inland waters would be vested in DOT. This boundary is the same as the one established under the Submerged Lands Act.

This MOA clarifies that the Coast Guard is empowered to regulate both onshore and offshore transportation-related facilities. MMS maintained the outer continental shelf facilities and EPA received jurisdiction over all non-transportation related facilities. Without this MOA all offshore facilities, regardless of their location or purpose, would be required to prepare and submit oil spill response plans to the Minerals Management Service (MMS) creating an excessive burden on industry.

QUESTIONS SUBMITTED BY MR. GILCHREST AND ANSWERED BY COAST GUARD

QUESTION. IF THE USCGC TACKLE IS DECOMMISSIONED, HOW DOES COAST GUARD INTEND TO ASSURE ICE BREAKING CAPACITY FOR CRISFIELD, MARYLAND AND THE SURROUNDING COMMUNITIES?

Answer. The operational commander will meet icebreaking needs by assigning other units including CGC CHOCK and CGC RED CEDAR, homeported in Portsmouth, VA as necessary. The State of Maryland also operates the TAWES, which currently provides icebreaking support between Crisfield and Smith Island.

QUESTION. HOW DOES THE COAST GUARD INTEND TO PROVIDE OTHER SERVICES - SEARCH AND RESCUE, WATERSIDE FIRE FIGHTING, POLLUTION PREVENTION, THAT THE TACKLE PROVIDES?

Answer. CGC TACKLE responds in these mission areas only as a vessel of opportunity, not as its primary mission. Station Crisfield, with a 41' Utility Boat, is the primary response unit for search and rescue requirements and supports the pollution monitoring activities in TACKLE's operating area. The Coast Guard is not responsible for waterside fire fighting. However, the Coast Guard does respond to waterside firefighting needs by augmenting local port facilities to help prevent loss of life and property.

QUESTION. WHAT IS THE COST OF THE TACKLE'S OPERATION?

Answer. CGC TACKLE's average operating budget is approximately \$343K/year, which includes \$260K for 6 military billets and \$83K for operating and maintenance costs.

QUESTION. WHAT ARE THE COSTS OF OTHER VESSELS PERFORMING MISSIONS CURRENTLY ASSIGNED TO THE TACKLE?

Answer. Hypothetical incremental costs for the other units which will perform missions currently assigned to TACKLE are provided below for two scenarios. The first is where all of TACKLE's 564 annual employment hours (4 year average) not used for training will be reassigned, and a second scenario where only the highest priority required employment hours will be reassigned.

However, the actual increase in Coast Guard costs will be negligible as only the highest priority work previously accomplished by the TACKLE will be picked up by the other units. For example, lower priority discretionary law enforcement patrols will likely not be continued. The work that is absorbed at other units will displace lower priority work at those units and will not result in increased costs. For example, increased Search and Rescue or high-priority Law Enforcement work done by Station Crisfield will reduce the requirement for and take the place of some of the time currently invested on operational training.



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March 15, 1994

The Honorable W.J. "Billy" Tauzin
 Chairman, Subcommittee on Coast Guard and Navigation
 541 Ford House Office Building
 U.S. House of Representatives
 Washington, D.C. 20515

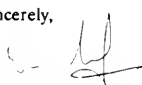
Dear Chairman Tauzin:

On behalf of the Passenger Vessel Association, I want to strongly support a reinstatement of full funding for the Boat Safety Account of the Aquatic Resources Trust Fund.

Twice in 1993, PVA submitted testimony to the Subcommittee on Coast Guard and Navigation urging stronger federal and state enforcement efforts against reckless recreational boating. In our testimony we detailed numerous instances in which captains of commercial passenger vessels have been exposed to recreational boating behavior which potentially has endangered the lives of people onboard their vessels. Given the high degree of support expressed for efforts to strengthen recreational boating safety law, followed by the quick passage of H.R. 3786 which addresses the issue, it came as a great surprise to learn that the Coast Guard proposed no funding for state grants from the Boat Safety Account in FY 1995. We believe this is a step backward at a time when public, industry and government awareness of the serious dangers of reckless boating is on the rise.

For this reason, we urge you to restore the state boating grants within the Boat Safety Account as you begin to consider the Coast Guard's FY 1995 budget request.

Sincerely,



Eric G. Scharf
 Executive Director

formerly the National Association of Passenger Vessel Owners



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